Anglo-Spanish Trade and Diplomacy 1712-1742

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Illicit trade by British merchants throughout the 17th and 18th century was common in the Spanish Indies, and it proved quite profitable. British merchants, traders, and governmental officials longed to access the riches of the Spanish Indies, but had constantly been blunted diplomatically by the Spanish Empire. In 1731, the Spanish guarda costa, in an effort to stop the growing illegal trade, had became highly aggressive in the Caribbean at stopping British smugglers and legitimate merchants alike and either confiscated their cargo or removed body parts from the captains of smuggling vessels. However, the British merchants and smugglers often viewed the risk of meeting with Spanish depredations as a small price to pay for such large profits a kind of tax on the immensely profitable smuggling trade.¹

Why were the British merchants willfully disregarding Spanish trade protections and sovereignty? Did Spain purposefully and willfully deny access to British merchants through traditional diplomatic means? Were the Spanish able to meet the manufactured good needs of its colonies? Lastly, why were the British so focused on accessing the Spanish West Indies trade when there seemed to be pressing power balance issues in continental Europe? Whichever of these issues were of most importance to these two countries mattered little to Captain Robert Jenkins in 1731. Thus, on April 9th, 1731 Captain Robert Jenkins was stopped by one of the guarda costa vessels and his ship The Rebecca was aggressively ransacked and searched for contraband. Finding none, the guarda costa members proceeded to steal all that they could find of value aboard the ship. Unsatisfied that they had not found valuable or contraband goods, they hoisted Captain Jenkins up the mast by his neck hoping that the fear of death would lead to either

the smuggled goods or more valuables. When Jenkins had nothing to offer, the Spanish Captain of the *guarda costa*, Juan de Leon Fandino lopped off Jenkins’ ear with his cutlass. Captain Fandino gave Jenkins his ear and told him, “Carry it to your king and tell his majesty that if he were present I would serve him in the same matter.”

In 1738, Captain Jenkins, with his withered ear preserved in a bottle, stood before members in the British House of Parliament and recounted his harrowing tale about the atrocities committed against his person by the Spanish *guarda costa*. This incident was the spark that forced Robert Walpole, the First Lord of the Treasury (1721-1742), into a war he had no desire to fight, but a war that commercial interests and powerful merchants had pushed for. The British throughout the 18th-century had fought Spain to allow for greater access to its Spanish Indies colonies, and by diplomacy or by force, the British were not giving up on that goal. It is important to note that the War of Jenkin’s Ear “was, perhaps, the first of English wars in which the trade interest absolutely predominated, in which the war was waged solely for balance of trade rather than for balance of power.” For at this time, the British were pushing to expand, and expand they did into what is known as the First British Empire.

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3 Sir Robert Walpole is considered the first Prime Minister of Great Britain. However, he himself never used the term Prime Minister during his tenure. It is widely recognized by historians that the formal position was established in 1721. For ease of reading, Sir Robert Walpole will be referred, to at times, as the British Prime Minister in this thesis.

Chapter One

Between the War of Spanish succession till the war of Austrian succession, the British focus shifted from matters of the European Continent towards that of expanding its trade and its commercial empire. With the securing of an important treaty with France, the British were able to seek trading concessions from the Spanish, through diplomacy or war, in order to gain economic dominance in the West Indies. However, unequal and often conflicting interests between the two nations prevented desired expansion into the West Indies for the British, so they sought to exploit vague treaty terms and obligations in order to conduct a vast illegal trading scheme in the West Indies that only drew the two counties closer to war than that of a negotiated trade and peaceful partnership.

Modern study and interpretations of the first British Empire tend to fall into three areas of academic thought and research. Currently, in early 21st-century historical research, the main focus of American academia is on the Atlantic historical viewpoint. Modern studies are designed to give voice to a variety of cultures, peoples, and ideas. It is often presented as a way to change the focus of the traditional nation-state history, and instead focus on peoples that were either subjugated or oppressed by colonial and imperialistic empires. The second view is that from a distinctly British historical perspective. The focus of the British historical aspect is the expansion of the Empire in the West Indies and the interplay of economically competing Empires in Europe. One could say it is Eurocentric in its approach with the West Indies and America as merely a backdrop of European commercial interests. Lastly, there is the American study and scholarship on the First British Empire. More empirical and traditional than the other two approaches the main focus here falls into the study of the rise of the thirteen colonies and their rebellion which lead to the conclusion of the First British Empire. While all of these studies
contribute to the historical research of the First British Empire, each tends to pay scant attention to the role nuanced role and seemingly ineffective of diplomacy in effect on trade in the First British Empire.

With the divided nature of research, focus, and interpretations, a researcher can get lost in the maze of competing ideas and views. Therefore, it is critical to find a balance and use research to construct a narrative that does not exclude vital information because of the varied scholarship. While the study of the role of the thirteen colonies played in the eventual downfall of First British Empire, their purpose is more secondary in the constant conflicts over trade and territory by the rival Anglo-Spanish Empires. The study of European diplomacy is fraught with complexity and change. Rivals become friends, and friends become rivals.

Therefore, it is essential for a researcher to narrow the focus upon two diplomatic states when discussing diplomacy and commercial rivalry. The research is made easier by the fact that Spain had an established Empire in the West Indies, and the British were attempting to infiltrate that Empire through the acquisition of land and trade. The French had only moderately established themselves in the West Indies. Their territorial holdings in the Americas were vast, yet lacked the population and resources to effectively hold them. Thus, they were only moderate competitors economically in the colonial world. The Dutch were an immensely wealthy and powerful trading nation; however, they were no longer attempting to colonize the West Indies to any large extent. They wished trade in it because they had been forced out of much of their North American holdings by the British when the 18th Century had commenced.

There were difficulties in Anglo-Spanish diplomacy in the era of the First British Empire. There were elements in Britain, mostly merchants and business leaders who were desirous to gain access to the wealthy Spanish New World. The Spanish Empire was attempting a
resurgence and sought to protect its economic holdings. The Spanish were going through a change in their monarchy that introduced King Philip the V (1700-1746), a French prince, to rule over Spain. This foreign prince and now king created contention and fear in Europe and forged an alliance that wished to prevent a merging of the Franco-Spanish Empires and a French superstate. King Philip the V of Spain also oversaw radical changes in the Spanish government. During this time there was the rise of professional statesmen and ministers who were auxiliaries of an absolute monarchy. These new ministers had greater power to act than any of the previous governmental statesmen.\(^5\) This study understands that it is essential to focus on men who were in power of the respective nation-states. For each of these nations had powerful interest groups made up of diplomats, negotiators, business, politicians, and the public. Some of these individuals had significant influence upon their respective monarchs and governments.

British commercial interests were heavily embedded in British politics in the early 18\(^{th}\) century giving them an oversized prominence when it came to policy making and diplomatic pressures. While there were those in the government who were focused on maintaining the balance of power on the European continent, there was also a desire to pay off sovereign debt and improve global reach of British trade to drive the economy. There were several powerful and government-backed trading companies, such as the South Seas Company, which controlled trade and large amounts of sovereign debt. Many ministers of parliament had direct financial interests in those companies as either investors or as board members. In the early 18\(^{th}\) century trade, not simply direct warfare or territorial consolidation, became a major cornerstone in British expansionist policy. The question was, what would be the best way to implement and expand

trade? British Whigs, led by Robert Walpole and Henry Pelham, advocated for a pro-maritime war position in which Britain would try to conquer territory they wanted to trade in or sought treaty-based, after-war concessions from Spain to access desired trading markets. Tories, such as the Duke of Marlborough and Lord Godolphin, often attempted to gain access to the New World markets through diplomatic treaties, thus trying to prevent war and sovereign debt. Both policies during the span of 1712 to 1742 were attempted with varying results.

This research offers a view on diplomatic efforts by the British to expand and grow their access to the Spanish New World. There were a number of direct diplomatic trading issues that were at the heart of the dispute between the two nations. To better understand the national viewpoints, this research will be one with a Eurocentric view, emphasizing the diplomatic role and the pressure from commercial sources placed upon the government. Adopting this view helps to frame arguments and disputes that had created a litany of trade concerns ranging from accessing specific ports, what goods would be allowed in, and how often trade would be allowed.

To give deeper insight, it is essential to discuss and learn about the men involved in governance, the commercial and economic interests that affected negotiations, and the underlying economic concerns by both nations.

**Treaty of Madrid 1667 & Godolphin Treaty 1670**

The Anglo-Spanish War did not yield the more considerable territorial rights Britain sought to gain from Spain.⁶ It did, however, produce the Treaty of Madrid and the equally beneficial Godolphin Treaty. The Treaty of Madrid set out to finally establish trading rights and

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⁶ The Anglo-Spanish War in question was from 1654-1660. Lord Protector Oliver Cromwell was pushing a strategic idea of Western Design. While the war did lead to colonial gains for the English, it was more of a war designed to deprive the Spanish of much needed colonial resources and bullion. The British managed to secure Jamaica during the war and used it as an important trading center dealing in slaves and contraband shipped to Spanish colonies.
privileges between the British and Spanish Empires. It is considered to be the basis on which all subsequent trade treaties were concluded over the next thirty years between the two competing powers. One of the key components was the formal recognition of the British territorial rights in the Caribbean and the legitimacy of British established American colonies. The treaty allowed for freedom of movement of British ships and commerce in the Caribbean.

This treaty benefited British shipping and merchant interests as it commercially laid the foundations of a robust trade by re-opening trade in the dominions of the two Crowns and granted English merchants such privileges as were enjoyed by native Spanish traders. Some of these privileges reduced or eliminated duties and fees on some products and goods, offered protection from embargos, and granted safe passage into ports. On the whole, the duties established under the treaty of 1667 were very advantageous to England. While the Treaty of Madrid and the expanded treaty with expanded articles by the same name sought to address all of the contending issues between the two Empires in the New World, it often fell short of its ideas. Britain and Spain often interpreted the vague portions of the treaties to their benefit, much to the protest of the other party. Much of these issues laid unresolved until the Treaty of Utrecht, in which much of the vagueness had been clarified.

However, the treaty did not grant the British any trading rights within Spanish colonies in the New World, and access to the West Indies was one of the key measures that British merchants and government had sought. The British, lacking formal access, and now with footholds in the Caribbean, commenced a vast illicit trade and smuggling operations. While the

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8 Ibid, 304.
9 Ibid, 306.
British made large profits on illegal trading in the Spanish Empire, these activities created tension and disputes between the two Empires and drove them closer to war.

**The Emergence of the British Empire as a Commercial Power in the Early 18th Century**

Mercantilist economics were at the forefront of British national policy since the mid-17th century. Mercantilism was the prevailing economic dogma within the empire. The idea of mercantilism\(^\text{10}\) assumed that a limit existed to global trade and that a nation’s wealth was measured in terms of self-sufficiency.\(^\text{11}\) Throughout the 17th century, the emerging British Empire sought to reduce its dependence upon European markets for raw materials and products to assume a position of self-sufficiency. To achieve this, they moved to secure lands and access Spanish trade ports in the New World.

It had been understood that refining raw produce that was grown in the overseas colonies would increase employment (in Britain) and provide a valuable export to profit both merchants and shipping.\(^\text{12}\) The thought process behind this was that if the empire were economically independent of needing foreign supplies and manufactured goods, it would ensure greater national and economic security. No longer requiring foreign importation or reliance upon those exports would allow for Britain to become a trading and exporting nation that produced its own manufactured goods. Working towards economic self-sufficiency as a nation would create a surplus of funds in the national treasuries. Those funds, in turn, could be used to protect those new financial investments through military and naval power.

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\(^\text{10}\) The mercantile system was designed to protect and grant specialized privileges to both merchants and those who produced goods and other manufactured products. The protections were put into place and defended by officials under the guise of national safety and security interests.


Commercial wealth and naval power were seen as self-sustaining. Flourishing trade fueled the navy through customs duties and trained seafaring manpower. An expanding and growing merchant marine created a large pool of well-trained merchant seamen to call upon when the Royal Navy needed to be expanded in time of war.\(^\text{13}\) A stronger, well trained Navy in return protected commercial trade routes and opened up needed avenues to access new trading ports.\(^\text{14}\) More so, the argument was made that there was no point in engaging in empire building unless it increased British trade. After all, a profitless empire was a contradiction in terms.\(^\text{15}\)

Money was power in Europe, especially hard bullion currency. It allowed for the raising of armies, the funding of fleets, and the ability to project power. Without secure and economic growth through trade and export, taxation on goods, services, and property would have to be used, which threatened political and domestic stability for a government. There was a general agreement in Britain that plenty and power were closely related. The relation was that trade created wealth, wealth produced power, power was the guardian, and therefore should be the promoter of trade.\(^\text{16}\) In 1711, a pamphlet was published in Britain by Daniel Defoe (1660-1731) a prolific and well-known Tory publisher who often sought to influence British policy with his writings.\(^\text{17}\) Defoe’s pamphlet was meant to persuade members of Parliament that trade had become absolutely necessary to all the people of Europe as it allowed for their defense against ambitious encroachments of one neighboring kingdom or state against another.\(^\text{18}\) Therefore, it

\[^{15}\text{Ibid, 150.}\]
\[^{16}\text{Darwin, J. Unfinished Empire: The Global Expansion of Britain, 150.}\]
\[^{17}\text{Daniel Defoe is best known for writing Robinson Crusoe. However, his political writings were also highly influenceable in Britain.}\]
\[^{18}\text{A Letter to a Member of Parliament, on the Settling a Trade to the South-sea of America. London: Printed for J. Phillips, and Are to Be Sold by A. Baldwin in Warwick-Lane, 1981.}\]
became apparent to those in leadership positions in the growing empire, that the new transatlantic commerce they were generating was a vital national asset to be coveted, protected and extended by all means, including by the threat or use of military aggression.¹⁹

The British Empire and its merchants were not solely content with obtaining colonies and access to raw materials. Instead, they sought to gain access to the other European empires overseas colonies, mainly those of Spain. Throughout the 16th and 17th century, Britain, France, and the Dutch had engaged in privateering raids on Spanish America and its treasure ships. While profitable at times, Britain in the late 17th and early 18th century was seeking to secure legal trade with Spain, as it found that direct trade in Spanish America was regarded as more efficient means of extracting wealth from their empire.²⁰ British merchants and the government also knew that customs returns often dropped in times of war because of the enemy’s disruption of English trade.²¹ Noted again in the 1711 pamphlet, gold and silver were not found in abundance in Europe and had to be “procurable by foreign trade.” That trade was most beneficial within the Spanish Empire as the “sloth and ineptness of their manufacturers”²² had left open the need for highly manufactured goods produced in Britain.

Researchers and scholars have recently made sure to note that Englishmen, in the 17th century, had long traded directly with Spain.²³ Lack of access to European Spanish trade was not a pressing issue with the British. Doctor Vera Lee Brown noted that the reason Spanish trade was

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¹⁹ James, L. The Rise and Fall of the British Empire, 28.
²² A Letter to a Member of Parliament, on the Settling a Trade to the South-sea of America
(so highly) prized was for the bullion that it brought to England. This was because the British colonies did not produce any significant amounts of gold and silver. Spain, however, had access to vast amounts of gold and silver bullion from its New World colonies in Mexico and Peru. As Doctor Brown further explains, it was through Spain that England tapped into the world’s supply of gold and silver. And without that access, England would be hard pressed to be able to continue engaging in commerce in the Far East.

The British wanted greater access to the Spanish New World, but Spain jealously guarded this access. Access meant the British merchants would gain the ability to deal with the colonies that produced gold and silver directly. This would allow the traders to set rates of exchange and valuation. The markets in the New World were also highly diverse and offered alternative trading options, not just bullion. It was known that Spanish manufacturing was not capable of producing the needed products that were required by the colonists in their empire. To meet the colonial needs, Spain bought manufactured goods and products from a variety of European sources, and then shipped and sold them in their New World holdings. The Spanish were not open to allowing the British direct and unlimited access to the wealth of their Empire, as it would hurt Spanish merchants and traders.

Britain entering into the 18th century as an emerging economic power had limited remedies when seeking Spanish concessions into its New World holdings. Either Britain would gain access through peaceful trade negotiations or face pressure from the growing commercial class. By and large, commercial and colonial lobbies in the British Empire endorsed aggressive, acquisitive anti-Spanish policies. These influential groups sought annexations that offered them

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25 Ibid, 2.
fresh opportunities for trade and investment.\textsuperscript{26} If Spain was not willing to peacefully open up its New World holdings, then the merchants, traders, and investors who held power and influence in the British government at the start of the 18\textsuperscript{th} century were willing to go to war to become more prosperous and assert British mastery of the seas.

\textbf{State of Spanish Empire at the Start of the 18\textsuperscript{th} Century}

From the late 15\textsuperscript{th} century to the mid-17\textsuperscript{th} century, the Spanish Empire was one of the most significant and wealthiest empires of the Era. With extensive New World holdings that produced vast quantities of gold and silver bullion, the Spanish Empire was an economic force that countries greatly desired access to. Despite successful conquests and the creation of a vast empire, Spain did not draw the same benefits as their rivals did from imperial expansion.\textsuperscript{27} While wealthy, the Spanish failed to invest in building up its industrial capacity and production infrastructure at home that would generate wealth. Instead, the Spanish bought and traded with its European neighbors and Asian suppliers who were producing the goods and products that both the Spanish and their colonies wanted and needed. The capital expended by Spain to competing countries enriched and encouraged its neighbors to seek additional commercial access.

It is important to emphasize the non-extractive nature of the Spanish imperial economic system, in that the vast majority of American revenue was spent in the colonies.\textsuperscript{28} This further incentivized European traders to gain access to Spanish America, as that was where the money and wealth were centered. Colonial holdings were expensive to maintain, as they required vast

\begin{footnotes}
\item[26] James, L. \textit{The Rise and Fall of the British Empire}, 53.
\item[28] Ibid, 4.
\end{footnotes}
expenditures of treasure to run mines, hacienda plantations, and security and military forces to put down rebellions and keep their colonial the populations at peace. Additional expenses were often required to defend their empire from completing European economic powers wishing to exploit, illicitly trade in, and privateer treasure shipments.

By the mid-17th century, the Spanish Empire was in a broad decline. The Thirty-Years War with the Dutch had led to even costlier war with France. This in turn depleted treasure, hurt trade, and interfered with commercial growth and expansion. Contrary to traditional historical narratives, Spain and her colonial holdings did not exclusively rely upon the extensive silver and gold mining operations for its total revenue collection. Instead, especially in the late colonial period, domestic trade and consumption were favorite targets of the imperial revenue collection machinery. The Empire relied strongly on indirect taxation, customs, alcabalas and sisas (internal trade and consumption taxes).29 European adversaries frequently attacked shipping and commercial targets in Spanish America to hurt and stunt colonial trade among competing military enemies, which in turn impacted its tax revenues and the national treasury.

With losses of revenue, and in a state of near constant warfare, the Spanish government was forced to increase the tax burden placed upon its population. With increasing taxation, conscription into military service, and a failing economy, the people revolted and further fractured Spanish holdings in Europe and on the Iberian Peninsula. Entering into the 18th century the Spanish Empire was no longer the preeminent power in Europe---and faced another challenge, the death of King Charles the II, the last of the Spanish Habsburgs.

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On November 1st, 1700, Charles the II of Spain died without a child heir to his throne. While he laid dying, Charles the II bequeathed his throne to the Bourbon claimant Philip of Anjou, grandson of Louis the XIV of France. Within two years King Philip V was embroiled in the War of Spanish succession against the nation states which desired to keep Philip from merging the Spanish and French Empire. Much of Europe feared that a combined French-Spanish state would lead to an aggressive French Empire, supplied by vast amounts of Spanish gold and silver.

Rallying around the Austrian Hapsburgs, a combined group of European allies went to war to prevent the merging of the two empires in 1702. The War of Spanish Succession ended in 1713 and lasted so long that continental Europe was in ruins. Great Britain emerged as the sole winner, having adopted a policy of limited involvement, an idea known as the Blue Water strategy. The Treaty of Utrecht brought an end to the War of Spanish Succession, leaving Spain without much of its European holdings. Furthermore, the British were granted the much coveted Asiento rights.

With the loss of its holding in Europe, Spain became even more protectionist when it came to trade in its New World holdings. The wealth of the Indies had long been the most distinctive resource of the Spanish monarchy before 1700 and continued to be so thereafter.

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31 Hargreaves-Mawdsley, W. N. *Eighteenth-century Spain, 1700-1788,* 35.
32 Asiento had been granted to a number of European powers since the 1500s. It was coveted as it granted a country a monopoly to trade slaves in the Spanish Indies. Furthermore, it allowed for some of the slave ships to carry additional goods and licensed a trading vessel once a year to the Spanish Indies. Both the country or company awarded the Asiento stood to make a profit on traded goods, as did the Spanish Monarchy.
New Spain, Peru and the Caribbean holdings brought a diverse set of economic revenue that benefited the treasury in the form of hard bullion, trade duties, levies and taxes.

**First British Empire**

There is little to no dispute that there was a First British Empire, followed by a Second Empire. Geographically, the First British Empire was an Atlantic Empire based on North America and the West Indies. This Empire was based upon a system of commercial expansion, trade, and mercantile growth. It reached its apogee after the Seven Years' War and was then the richest and most extensive maritime empire that the world had ever seen, the envy of the Western world.

Eventually, the First British Empire came to a close when its thirteen colonies rebelled and expelled the British from their significant North American holdings. While still holding onto Canada and islands in the West Indies, the overall loss of its most profitable and largest colonies shifted the British focus and attention from the West to the East. However, there are differing views on how long the First British Empire lasted, from its date of inception to is eventual demise some historians place its end at the end of the 18th century, while others expand it out to the early portion of the 19th century. Either way, the timeframe is secondary to the overall historical views on trade, colonial governance, and social aspects of the Empire for this study, as it is focused on events starting in the late 17th century to the middle of the 18th century. Form a historical view, there are two leading schools of thought that encompass the study of First British

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Empire; they are The Imperial School and Anglo-Centric view. Both offer insight and perspective into 18th century trade and diplomacy.\footnote{It should be noted, that there is a field of study with a similar name, but different view. This is simply the study of Imperialism. The study of Imperialism is often done from a neo-Marxist point of view, with emphasis on Imperial exploitation of native populations and the working class. The author of this paper does not include this field of study in the paper as it is not applicable to the study and thesis.}

**Imperial School**

The Imperial school is a United States centric approach to the study of the First British Empire. It is noted that Americans had long before relegated their membership in the British Empire to a special "colonial period" of American history.\footnote{Curtin, Philip D. "The British Empire and Commonwealth in Recent Historiography." *The American Historical Review* 65, no. 1 (October 1959). 73.} This Imperial Study often is more narrowly focused and places considerable attention to governance, independence and rebellion within the thirteen original colonies. The first generation of American historians, like William Gordon, David Ramsay, and Mercy Otis Warren, demonstrated the tension between the desire to establish the intellectual autonomy of their subject and the demand that the history of American independence be written as a ratification of the new republic and its values.\footnote{Clark, J. C. D. "The Strange Death Of British History? Reflections On Anglo-American Scholarship." *The Historical Journal* 40, no. 3 (1997). 791.} This has then created a narrative that focuses on the perceived injustice and subjugation of the American colonist at the hands of their powerful imperialistic government. Trade issues and taxation often are cited as causal effects for the rebellion, which is why it is important to understand how trade in the new world was forged and established.

Within the framework of the Imperial School, the American historical enterprise from an early date was consciously built around positivism, a methodology only recently assailed by a variety of forms of subjectivist relativism.\footnote{Kolakowski, Leszek, and Norbert Guterman. *The Alienation of Reason: AA History of Positivist Thought*. Garden City, NY: Doubleday, 1969. 14.} Leo Strauss is considered the most influential
thinker and historian in this arena. His diagnosis of the crisis of the West as a loss of belief in its purpose and superiority was one that he traced to late modern doctrines that denied the possibility of a rational knowledge of the universal validity of any purpose or principle. Strauss tended to uplift and almost worship the Founding Fathers and their role in creating the United States and breaking free from the shackles of Empire.

Not all Imperial School researchers solely focus on the role of independence and rebellion. Charles McLean Andrews and Lawrence Henry Gipson state that the essential feature of early American society was its imperial institutions; its primary activity was participation in the trade and politics of empire. Implicitly, American colonial identity was forged within these contexts. It should also be noted that scholars from the United States that focus on the Imperial School of thought and research have played a commanding role in the historiography of the First British Empire, and thus cannot be easily dismissed in research and study about the era. While this study focuses on trade within the West Indies, the Imperial view, with a focus on the evolution and breakaway of the thirteen colonies, is not a critical point of view for this study. One of the great issues with the Imperial view is the lack of inclusion of West Indies holdings and their impact upon empire. While some modern historians try to now bring the West Indies into the expanded research of the First British Empire, often, it is done with a focus on the African slave trade or native subjugation, and not mercantile expansion.

Classical historians still offer up and explain why the history of West Indies trade and expansion is important to those who study American history. Charles M. Andrew, in his book

42 Louis, W. The Oxford History of the British Empire, 44.
The Colonial Period of American History noted that in order to understand the First British Empire and the origin of the United States can only be seen and understood in terms of all the British colonies in America, and of their relations with each other and with the mother country. Thus, this paper does provide some expanded information on British economic desires in the West Indies as it did directly impact the evolution of the United States, yet, it does not expand into the upper North American Thirteen Colonies. Instead the paper maintains focus on the desires of the British and its merchants on gaining access to valuable Spanish trading territory. While Britain had turned to focus on commercial growth in the Americas, there were different views on how to best exploit its overseas colonies, and they differed from their quest to gain access into the profitable market of the Spanish South Seas.

**Anglo-Centric**

Imperial History maintains a focus on administrative and diplomatic elites and the political and strategic interests of the metropolitan powers. The term Anglo-centric is meant to accentuate the focus on the Nation of Britain; it’s diplomatic, economic, protectionist and mercantilist approach to establishing the First British Empire. It further emphasizes the role of Britain in the rise of economic power and tends to relegate its colonial activities as a means to gain wealth for the state, not focus on the development of the impacted colonial society. The view is focused on the push of mercantilism, and it can be justified by looking over historical material from the era, such as the Navigation acts of 1663. The Acts clearly position colonies as being kept to be more beneficial and advantageous… to further (gain) employment and increase

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English shipping and the number of seamen. Furthermore, the Lord Commissioners reported that, the great object of colonizing upon the Continent of North America has been to improve and extend the commerce, navigation, and manufactures of this Kingdom, upon which its strength and security depend.\(^{45}\)

J.F. Rees, in his 1925 paper, “The Phases of British Commercial Policy in the Eighteenth Century,” notes that when discussing commercial and mercantile interests in Britain that “The temptation to find a single clue to a complexity of events is one which the historian resists with some difficulty.”\(^{46}\) Rees focuses on the complexity of trade, commerce, and diplomacy between Britain, France, and Spain. Furthermore, he states, “the eighteenth century cannot be treated as a single period dominated by one set of ideas. In the first part of the century, commercial policy was not clearly defined.”\(^{47}\) Rees contends that often British willingness to aggressively negotiate and seek war to gain an economic advantage was based upon the thought that trade was in decay.

British historians and those even within the Anglo-centric view, often shift quickly away from the focus of commercial and mercantile interests, especially in the West Indies, and shift research focus to understand the growth of an Imperial Empire. The researchers and historians often focus on the impact of the British gaining greater possession of North American territory when discussing the First British Empire, and less about trade with rival economic empires. Stephen Webb, Lawrence Gipson, and Charles Andrew are of this view. They speak of the colonial policy of mercantilism, but then focus on the British Empire’s shift towards a new and untested policy of imperialism. Daniel Baugh does discuss and highlight the tightening of commercial regulation in the colonies and the willingness of the crown to deploy the navy, to

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\(^{45}\) Blake, J. W. *The First British Empire A Maritime Empire of Trade, Built by Traders*, 543-544.


\(^{47}\) Ibid, 150.
protect commercial interest, but again fails to offer more in-depth research or highlight Anglo-Spanish issues in the West Indies.\textsuperscript{48}

The focus of research in any of the First Empire Studies has often shifted away from Anglo-Spanish disputes and instead lean towards the Imperial School of thought. However, for all its lack of precision, the concept and study of the First British Empire have proven to be a useful and even indispensable study for over 150 years, and still key to the historical interpretation of the period.\textsuperscript{49} Therefore, for the purpose of this paper, the Anglo-Centric view is the primary device used to explain the diplomatic, mercantile and trade interests that drove the British Empire towards economic expansion.

\textbf{Research Focus}

The study of diplomacy concerning access to economics in the early 18\textsuperscript{th} century has become a neglected historical field. In general, diplomatic history has often been degraded as the dry record “of what one clerk wrote to another clerk,” even though what the bureaucrat inscribed may have impacted on numerous lives.\textsuperscript{50} Jeremy Black states, “Eighteenth-century British foreign policy has been a marginal subject for several decades,” and that the “great age of foreign policy studies was the late nineteenth century and the early twentieth, an era in which history existed to study the growth and exalt of the nation.”\textsuperscript{51} During this era of diplomatic study researchers often neglected or left out foreign sources and their role in negotiations and their

\textsuperscript{48} Louis, W. \textit{The Oxford History of the British Empire}, 49.
\textsuperscript{49} Ibid, 52.
professional and private communications. Furthermore, these foreign sources were not included due to lack of access for the researchers of the era.

However, digitalization of records and greater access to these documents have allowed for new research to start in the field of diplomacy and foreign affairs. Access to these records also allows researchers with new and differing views on diplomacy and trade. There are differing schools of thought on what elements or people need the most attention when it comes to the study of British 18th-century diplomacy. The researchers of the late 19th and early 20th-Century often focused on a small number of influential men of the era, the “five men and the Duke of Newcastle”\textsuperscript{52} approach. Many, but not all, researchers often overlooked domestic and commercial pressures being exerted upon the government. Instead, they focused on a select few of the men of the era and their diplomatic and political skills. In contrast, this research looks to expand the viewpoint of those involved in diplomatic exchange and negotiations, and further provide the Spanish positions in a greater context.

The focus of the research is to look at the difficulties of Anglo-Spanish diplomacy in the era of the growing British Empire wanting to gain access to the wealthy Spanish New World, and a reemerging Spanish Empire seeking to protect its holdings. The timeframe to be studied will start in 1712, the end of the War of Spanish Succession and the establishment of the treaty of Utrecht, to 1742 the End of the War of Jenkin’s Ear and the start of the War of Austrian Succession. This timeframe is used for the framework of the study for many reasons. The British Empire was by this point in history deeply entrenched in the idea and concepts of mercantilism, and the fear of being cut out or conquered by other European powers was at the forefront of

\textsuperscript{52} Ibid, 27.
political and diplomatic thinking. The Spanish Empire sought to reestablish itself as a powerful European State and could only do so with access to capital and a steady source of revenue to keep its treasuries full. Thus, the Spanish were highly protective of its holdings and sought to heavily restrict access and became diplomatically ridged on this stance as they too understood wealth was equal to power.

This study will show that vague and ambiguous treaty language often left open loopholes that the British willingly used to exploit access to trade in the West Indies and in Spanish controlled territories. Often, Spain sought to close these loopholes after each new treaty with Britain, However, constant shifting in Spanish governance and diplomacy often left an unclear foreign policy goals, which Britain often used to their advantage in order to exploit and try and gain greater trading concessions and access. Often, the only diplomatic or policy goal of Spain seemed to be consistent with was that of trying to keep Britain out of the West Indies. The British had an advantage throughout this period. Britain found itself under a rather stable cadre of leaders and had firm policy goals in which they were steadfast in approaching. Prime Minister Walpole and his government had found themselves a diplomatically secure position with their rivals, and sough to expand their global economic reach. However, those goals often were overly pushed by the powerful merchant class and trading companies that were willing to push for war, or simply violate existing treaty regulations, instead of waiting for long diplomatic processes to come to any sort of successful outcome. Both nations could have both economically benefitted by peaceful trade over that of war and illegal trade. Spain would have collected duties and taxes on goods that the British were selling to their colonies, goods that Spanish merchants knew they could not provide in vast quantity as needed. Britain would have stayed out of debt that was often incurred during military actions, and merchants would not have to fear their trade to be
disrupted due to war or seizure of goods when they would be caught in smuggling activities. Yet, both nations continued to adhere to the mercantilist policies of the era, and both paid for that adherence in blood and treasure.

The following chapters will focus on the treaties that shaped Anglo-Spanish trade during this time frame, including the importance of the South Seas Company gaining the right to the Asiento. The Asiento is of key importance as it was the key that opened the door to British merchant and trade access to the Spanish colonies in a legal way. Each chapter of the study will focus on the men who were in power of the respective nation states. Analyzing their motives and the pressures out upon them by different interests’ men’s decisions often had an influence that either lead a nation to war, or diplomacy. These competing powers and ideologies will be studied using written correspondence, pamphlet writings and debates upon the floor of the commons or royal courts. The increase in British illicit trade and its impact upon diplomacy between the two powers will be studied through treaty language, writings, and the view from those in colonial positions and in the royal courts. Lastly, the study will seek to find which method of diplomacy by the British Empire gained greater access to the Spanish holdings in the New World whether through negotiated settlements during times of peace, or through Gunboat Diplomacy, again using treaty language.

Chapter 2

1712-1720

1712-1720 showed an evolution in British diplomatic methods and goals. With an alliance with France, Britain had the ability to look past the affairs of the European continent and focus upon empire expansion and commercial growth. Starting with the Treaty of Madrid in 1667 and 1670, Britain was able to negotiate legal access to the Spanish New World, and in 1712
with the acquisition of the right to the Asiento, gain trading rights therein. This new access to the West Indies fueled a rapid expansion of illegal and illicit trade in the Spanish territories, creating competition for Spanish trade goods in the region. Furthermore, the rise of the powerful South Seas Company impacted both British governance and diplomacy as the company was increasing involved in British political life as many Ministers and even the monarchy had a finical stake in the company. 1712-1720 saw new leadership rise in both nations. Britain soon found itself lead by a new, foreign, Monarch. Spain had finally solidified its new king’s right to govern. Both countries during this time saw Ministers in both governments gaining and establishing new powers, such as the role of Prime Minister being established in Britain.

In 17th and 18th-Century Britain and Europe, it was understood that foreign policy was primarily the responsibility of the Monarch.53 Parliament was seen as unwieldy when it came to discussing delicate state matters, as they often lack the ability to come together to agree on most issues they were responsible for. Parliament as a body also lacked the connections which the royal family often maintained through relation and friendship. John Snell, a Tory MP from Gloucester, once stated during a Parliamentary debate in 1716 that, “by the known and standing law of the land, the right of making peace and war, treaties and alliances, are undeniably the King's prerogative; and his Majesty may exercise that right, as to him seems best; and most for the good and benefit of his people, without application to Parliament, either to approve.”54

Although the monarch was universally recognized as the constitutional authority in the matter of relations with other states, they were provided with a formal departmental structure to assist them.55 However, during the Reign of Queen Anne, the Whigs and members of the public

55 Ibid, 5.
started raising concerns over the possibility that British interests were being subordinated to those of Hanover as the government was to the possibility of European action in favor of the Stuarts, and with as much and at times as little cause.\textsuperscript{56} This caused members of Parliament, and in the Foreign Office, to seek greater impute and oversight of how diplomatic functions and negotiations were being handled to ensure that the British State’s interests were just as forefront as to those of the royal family’s. These conflicts created new nuances and issues when it came to foreign policy as now Parliamentarians’ political objectives, pressures of the merchant classes, and the voice of the people all started to play a role in the push for war, peace, and trade.

Discussions on policy, foreign affairs, and all manner of debates were no longer held merely in offices, palaces, and government buildings, but in the open using the quickly growing print media. Discussions and debates in print were heated, more so in times leading up to the opening of hostilities and the near conclusion of them. Many in government felt that the writers and editors desire to debate every policy and action of the government and the monarchy in every affair was detrimental to the wellbeing of the nation as a whole. These leaders and rulers saw the writers as stirring up an excitable population through spreading misinformation, over aggrandizing issues and stories, and the use of inflammatory language. However, those in Parliament often used the print media to plead their cases or disparage their political enemies. This created a new dynamic in which politicians, legislatures, and diplomats had to function within to peruse an agenda. Eventually, with the rise of the Walpole-Townsend government, diplomatic efforts were often driven by whoever held the position of Foreigner Minister and they too would use the print media to sway public opinion to achieve their goals.

There were, of course, other factors that played into foreign policy decisions, the main one being trade. Mechanistic trade policies and the desire to protect national trade over that of free trade often created conflicts between the powerful empires of the Era. Therefore, the real difficulty in managing foreign policy lay in navigating around the artificial system of international trade regulations, which frequently lead to most of the great wars of the eighteenth century.\textsuperscript{57} Furthermore, the British were keen on expanding their trade at all costs and often did so with little regard for how opposing nations would take their intrusion into their colonies. The British found the most success in the Spanish colonies as Spain was a poor shopkeeper, and her colonies, seeing they could not get supplied from the home stores, went elsewhere. Spanish custom-house officials connived at the importation of English goods; and so great were the profits to be gained by trading with the Spanish colonies that Englishmen were willing to risk even the loss of their ears. Where the advantage is considerable enough, men will always be found to risk life and limb; and when a law is in opposition to the will of the whole people, it will always be broken.\textsuperscript{58}

The desire for profit and control over international trade soon become the primary goal of British foreign policy, and the tools they sought to use was diplomacy first to gain the concessions they felt entitled to. They found success in a number of treaties from 1667-1712, but often fell short in achieving their overall goals of access to the Spanish New World. The balance of power over the European continental matters came in a close second. With many of the long standing British leading politicians such as Sunderland and Stanhope leaving office due to health issues, or simply dying, Sir Robert Walpole and Charles Townsend found themselves in a


\textsuperscript{58} Ibid, 181.
position to consolidate power with the Whigs. With this power Walpole sought to peace and diplomacy as his primary tool to achieve British expansion. In Spain, Julio Alberoni also found himself in a strong position in the Spanish court and used it to push the Queen’s desires and the Spanish protectionist attitudes that often-hampered peaceful negotiations with Britain. Therefore, with robust economic forces in Britain pushing for an expansion of trade, and the Spanish diplomatic corps often in disarray and unable to overcome protectionist ideals, war always took over when slow diplomatic negotiations failed to make quick headway. This was the course of Anglo-Spanish diplomacy in the early 18th-century.

**Treaty of Madrid 1667 & 1670, the Foundation of Anglo-Spanish Trade Treaties, and Negotiations in the 18th-Century**

The Treaties of Madrid were not 18th-Century treaties; however, their influence on 18th century Anglo-Spanish trade and future trade negotiations is undisputed. The formal recognition of English holdings in the New World opened up valuable trading routes for the English. The problems created with these negotiations, however, raised points of contention between the Anglo-Spanish that never adequately addressed in the treaties, and when issues were attempted to be addressed, the language used was vague and unclear at times. The British and Spanish engaged in a number of wars after The Treaty of Madrid, and when each war came to a close and peace negotiations there was a recognition that previously vague language that had led to conflicts needed clarification. If this had been done sufficiently and with due diligence between both parties, many of the conflicts between 1712-1742 mat have been averted.

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59 It has also been referred to as the Godolphin Treaty in some historical writings and text.
Sir Edward Mountagu, The Earl of Sandwich (1625-1672), began negotiations with the Spanish diplomat Gaspar de Bracamonte y Guzmán, 3rd Count of Peñaranda (1595-1676) in Spain. The 1667 Treaty is of particular importance as it dealt with the bulk of commercial disputes between Britain and Spain. Published sometime between 1660-1664, the pamphlet "The humble Complaint of Merchants and others His Majesty of England's subjects of... losses under which they have lain by the King of Spain's breach of articles together with some proposals to the future" aired many of the British merchants’ grievances with the Spanish. The merchants complained that “that there should be free commerce in all ports and places by sea or land of either King and reciprocal friendship and kindness among their subjects as it was before the war between Queen Elizabeth and King Philip the Second. The merchants were eager to gain favored nation trade status with the Empire of Spain, as favored nation status allowed for quicker processing time through port and harbors, freedom from detailed ship inspections, a safe harbor in the times of tempest weather and essential ship repairs, and favorable taxation and duty rates.

The Treaty of Peace between Great Britain and Spain was negotiated by Sir William Godolphin (1635-1696) and Spain’s top English diplomat throughout the latter half of the 17th century, Gaspar de Bracamonte y Guzmán. The treaty was signed in Madrid 13-23 May 1667, and is commonly known as the Commercial Treaty of that year. This treaty managed to secure for England the sought after direct trade concessions and numerous East Indies trade concessions. Once fully negotiated and signed, the British Merchants gained much for what

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60 Sir Mountagu is known more for his naval career than that of a diplomat. However, he learned Spanish, and was able to communicate on equal terms with those he was charged with entering into agreements with. Further information about Sir Mountagu can be found in Frank Reginald Harris’ book The Life of Edward Mountagu, K.G. First Earl of Sandwich, (1625-1672).
61 Gaspar de Bracamonte y Guzman held a variety of positions through his tenure in Spanish politics. He was a noted statesman but engaged in diplomacy frequently on behalf of the Spanish government.
62 McLachlan, J. Documents Illustrating Anglo-Spanish Trade, 311.
63 Ibid, 304.
they requested. The 1667 Treaty of Madrid commercially laid the foundations of robust trade by re-opening trade in the dominions of the two Crowns "where hitherto trade and commerce have been accustomed." The British merchants gained the same rights and privileges when trading as native Spanish trades, however, with restrictions on trading in the West Indies. The British merchants were free from embargos, unfair taxation, and even granted limited rights to export bullion from the West Indies back to England. Additionally, fishery access in the Western hemisphere was agreed to, and Britain gained important economic access to its North American holdings.

During the negotiations, a right was reserved by the Spanish to search British merchant ships sailing near the ports in the West Indies and the seas belonging to the respective countries. The Spanish would then legally be able to search and confiscate smuggled goods. The negotiators soon started to dispute the construction of this article, as it had been written in purposely vague terms that could be abused and misconstrued. The Spaniards claimed the right of search in all the American seas; the English contended that the phrase “contraband goods, according to the general interpretation, implied only arms and military stores sent to the states of Barbary, with which Spain maintained incessant war." Furthermore, the issue of what lands were actually British, and recognized as such by Spain in the New World, was an unsettled manner. This would be resolved in the 1670 Treaty of Madrid.

Peace was short lived between the two Empires when the English privateer Captain Henry Morgan (1635-1688) in 1668 sacked the city of Portobello in Panama. Spain was so incensed that the Spanish Ambassador, the Count of Molina threatened to leave London. The

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English, King Charles the II, knowing in 1669 that Spain was weak, disorganized, holding no advantages during this time, was not seeking war with England. The King therefore dispatched the diplomat Sir William Godolphin (1635-1696)\(^{66}\) to Madrid to negotiate for peace between the two powers and formally end the Anglo-Spanish War. England was seeking to be proactive in offering a diplomatic solution as it was seeking to maintain the peace to protect the already shaky Anglo-Spanish trade had been established in 1667. Sir Godolphin was met in Madrid to negotiate with Gaspar de Bracamonte, a man already familiar to Sir Godolphin when he had worked under Lord Sandwich. The treaty solidified English territorial gains and changed the West Indies region when it came to commercial access and security. First and foremost, it was agreed that:

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The Most Serene King of Great Britain, his Heirs and Successors, shall have, hold, keep, and enjoy forever, with plenary right of Sovereignty, Dominion, Possession, and Propriety, all those Lands, Regions, Islands, Colonies, and places whatsoever, being situated in the West Indies, or in any part of America, which the said King of Great Britain and his Subjects do at present hold and possess, so as that in regard thereof or upon any color or pretense whatsoever, nothing more may or ought to be urged, nor any question or controversy be ever moved, etc.\(^{67}\)
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The adoption of the Treaty of Madrid between the two powers was the first time that the Spanish formally recognized the English claims to various holdings in the Americas, most importantly those in the West Indies. In 1655, the English seized the island of Jamaica from the Spanish and turned it into a profitable sugar colony and base of operations for privateering and smuggling. Having the island recognized by Spain as a legitimate holding of the English secured the island officially. It was found that Jamaica was perfectly situated to be used as a harbor for the English economic expansion in The West Indies. This once pirate-infested island became the base from which English merchants carried on a much-desired trade with Spanish America. The

\(^{66}\) Sir William Godolphin was a British MP from Camelford and Envoy to Madrid. He had worked under Lord Sandwich during the first negotiations of the Treaty of Madrid. He eventually became the English Ambassador to Spain.  
British Jamaicans sold the Spaniards provisions, manufactured goods, and slaves; and in return, they received a steady stream of silver and gold that enriched England and supplied her continental colonies with most of their hard money.\textsuperscript{68} Silver was generally regarded as the metal best suited to form the national currency in the 17\textsuperscript{th}-century, and England's demand for it greatly exceeded her supply. Every year vast quantities of bullion were shipped away in the course of East Indian trading but, it was not replenished through those same routes.\textsuperscript{69}

The treaty of Madrid granted the English merchants and traders free trade with Spain and gave the merchants permission to begin and carry on Spanish commerce, and these merchants were open to buy, sell, and exchange merchandise of any sort, of what value and quantity they pleased. It was stipulated that this trade, however, did not include the West Indies. In fact, in the treaty of Madrid it is explicit that English subjects were only allowed the same trade concessions and access that Spain granted to the Dutch in 1648 under the Treaty of Munster. In the Treaty of Madrid it is stated that:

\begin{quote}
As to for what concerns the West Indies, the subjects and inhabitants of the kingdoms, provinces, and Lands of the aforesaid Lords King and States respectively, shall refrain from journeying to and trading in all harbors and places held and possessed by either party with fortresses, residences, castles, or otherwise; to wit, the subjects of the aforesaid Lord King shall not journey to and trade in the harbors and places which are held by the aforesaid Lords States, nor the subjects of the aforesaid Lords States in those which are held by the aforementioned Lord King.\textsuperscript{70}
\end{quote}

In other words, the Eight Clause of the Treaty of Madrid stated flatly that the subjects of the two crowns would maintain no trade with one another in the West Indies.\textsuperscript{71} While this was a

\begin{footnotesize}
\textsuperscript{69} Ibid, 8.
\end{footnotesize}
disappointment on many levels for traditional traders and merchants in Britain who were seeking access in the highly profitable sphere, these interested parties did gain a significant foothold in the Spanish Indies. With that foothold, the Royal African Company, and its new connections in the Caribbean, partnered with Portugal and became the primary source for slaves in the West Indies. To try and exploit the number of Spanish ships that would be entering the Jamaican ports to buy slaves, Sir Jonathan Atkins, the Governor of Jamaica in 1674, wrote to the Lordships of Trade and argued that, “as a maxim that wheresoever you intend to plant a new colony you must make their port a free port for all people to trade with them that will come.”

Sir Atkins, in direct opposition to the language of the Treaty of Madrid and British Navigation Acts, sought to trade with any Spanish, or any other foreign vessel, in the new port he now governed. Illegal trade had been a long-standing practice by the people of Jamaica, although often not openly talked about, that had enriched many a British merchant and pirate in Jamaica. Illegal trade also supplied a number of areas of the Spanish Empire in the West Indies that were consistently lacking access to Spanish supplies. Sir Atkins’s sin was directly advertising the intention to break the law, treaty obligations, and the promise by Britain to end piracy and smuggling in the region. This forced Sir Atkins to be summoned back to England where he promptly lost his governorship.

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74 The Navigation Acts were a series of protectionist trade acts that were passed in an effort to protect English mercantile interests. It operated off of three main ideas, that English ships could only trade with other English colonies, enumerated commodities that were produced in the colonies could only be shipped back to England, and lastly that any other nations goods had to pass through an English port first and pay applicable taxes and duties to the government.
The Path to Utrecht

At the end of the War of Spanish succession and with the adoption of the Treaty of Utrecht, issues of trade in the West Indies dominated Anglo-Spanish relations for the next thirty years. Further, peace did not extend to the European continent; Britain and Spain would fight many wars over Italy and other territories Spain wished to recoup after the War of Spanish Succession. During this time England went from having a negligible trading presence in Europe and the West Indies to, by the beginning of the 1700s, having a highly complex and global trading presence. No other country, aside from the Dutch, relied upon overseas foreign trade for such a high proportion of its employment and gross national product.\textsuperscript{75} It was therefore crucial to the British to reduce piracy and privateering to a minimum, as those in power who once sponsored, encouraged, and profited from piracy and profiteering were more intent on enjoying the profits of empire and regular trade, and less willing to suffer losses from uncontrolled brigandage.\textsuperscript{76}

Trade had suffered immensely in the West Indies when piracy and profiteering were allowed to run amok, and the Treaty of Madrid had sought to end its hampering influence on legal and safe trade. Between 1697-1701 the English Empire first acted to suppress piracy in distant waters. Combating piracy allowed for the growing imperial government to demonstrate its increasing power and rights to defend and control colonial commerce.\textsuperscript{77} Furthermore, it was meant to prevent other colonial ports and government officials from attempting to run vast and

\begin{footnotes}
\item[77] Taylor, A. \textit{American Colonies: The Settling of North America}, 296.
\end{footnotes}
complex smuggling rings out of its ports in violation of the Navigation Acts. The Navigation Acts of 1651 and 1660 were a series of laws enacted to eliminate Dutch trading competition in English colonial markets. It stipulated what goods were allowed to be shipped throughout the Empire, the national composition of crews, and the restriction of non-English ships from trading in the colonies.

With the outbreak of the War of Spanish Succession on the European continent, England readily supported and encouraged privateering again. Adding privateering as a weapon of war was allowed or encouraged by governments because commercial-raiding or preying on private property at sea was still regarded as a legitimate war aim. Officials argued that maritime attacks on the enemy’s colonies and trading routes (during war) were the best methods for bringing a power, such as Spain, to bear, and that such attacks would make war a profitable or self-financing enterprise. Spain and France benefited greatly from Spanish-American trade, and gold and silver shipments from the West Indies. Thus, it was in Britain’s interest to strangle those supplies and hurt their economies as much as possible while engaged in open warfare. After the Treaty of Utrecht, privateering adventures again died down to establish safe trade in the West Indies.

On Friday the 29th of January 1712, the peace congress in Utrecht congregated and opened formal negotiations to bring to an end twelve years of global warfare known as the War of Spanish Succession. The War of Spanish Succession had decimated large swaths of Europe. The Treaty of Utrecht pointed out that the war had been waged with the utmost force, at immense charge, and with almost infinite slaughter. At the time, some of the most massive

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78 Ibid, 18.
80 Britain, Spain and the Treaty of Utrecht 1713
armies ever fielded fought in battles such as Blenheim, where 120,000 troops fought, and
casualties were scored in the tens of thousands. Britain, being an island nation and maintaining a
powerful navy to protect her country and its vast trading empire, was spared from much of the
devastating impacts of the war.

Furthermore, while Britain’s war and trading adversaries were debilitated by the twelve
long years of conflict, British overseas trade had increased. The growth came about because of
the 1708 Cruisers and Convoys Act which had bound the Royal Navy to allocate warships to
protect merchantmen against foreign privateers and commercial raiders. With its trade and
merchant shipping intact, Britain’s industrial and manufacturing centers were poised to become
the economic powerhouse that could supply the European continent, and more importantly Spain
and their colonies in the New World. Britain, in its peace negotiations, again sought to expand
upon their relatively pitiful trade and merchant access to Spanish holdings, driven partially by
the loss of lucrative Dutch and French trading access while negotiating the Barrier Treaty of
1709.

Similar to developments in England, the economic interest of the various European
governments and trading companies gained unprecedented importance during the Utrecht
negotiations, making them the central driver of political decisions. European manufacturing
grew on a much greater scale, thus driving the needs to have sustained access to raw materials to

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81 James, L. *The Rise and Fall of the British Empire*, 58.
82 In order to maintain the Grand Alliance during the War of Spanish Succession, Britain had to agree to give up trading access to areas within the highly valuable Dutch trading centers. It was prudent to do so at the time as the Dutch were poised to exit the war. The treaty was a contentious one and eventually was revised and renegotiated to allow access again to Ostend and Dendermonde, the two towns which were of most strategic value to the commercial competition between the Republic and Britain. It also contained stronger guarantees for British trade rights in the Southern Netherland.
power a country’s economic engine. Expanding and growing economies accelerated the need to expand into new lucrative and profitable markets in the West and East Indies. Thus, all the nation states sought trade concessions from each other to drive their economic engines. Britain sought to not be left behind. Not only did the British people improve and expand their manufacturing levels, they further developed their naval power too, in which they could ship, protect, and move their growing production capacity. Soon, only the Dutch merchant class could rival that of Britain, and Europe took notice.

**Britain’s Push to Negotiate for Peace**

During the War of Spanish Succession, Britain had become a major European power, and for the first time in her history, her home politics were of vital importance to Europe. Obtaining peace with Spain had become a contentious issue in Britain by 1709. The British Parliament had been deeply divided as to whether to sue for total peace or continue with the war directly with Spain. The Tories and Whigs were both keen to make peace and end the war against France; however, the Tories sought a full peace between Britain, Spain, and France. The Whigs had no intention of ending the war with Spain, however, continued war was indeed a detriment to the real interests of England. Queen Anne sought to end the war and supported the Tory position more thoroughly. She wrote a number of letters to her First Lord of the Treasury, Robert Harley the Earl of Oxford (1661-1724), who was the leader of the Tory party, expressing her keen desire to procure the Peace of Utrecht for her war-weary nation. In 1711, she wrote letters to the Earl of Oxford and explains that, “Lord Chamberlain [Shrewsbury] has talked a good deale to me

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84 Hargreaves-Mawdsley, W. N. *Eighteenth-century Spain, 1700-1788*, 35.
86 Robert Harley’s position as the First Lord of the Treasury was almost equal in power of a Prime Minister in the era. He was well known for being a masterful orator and knew how to effectively use the court and assigning key posts in the government to his advantage.
about the Peace, and I hope he will act very hartely in it” and that she was, “very glad to find things are in soe good a way abroad for the Peace.”

The Queen, the Earl of Oxford and supporters in the government were seeking peace as a means of securing England’s interests that the long war had failed to achieve. On the opposite side stood the war general, John Churchill, the 1st Duke of Marlborough (1650-1722), and his Whig Cabinet allies who were adamant about continuing the fighting. King William earlier granted The Duke of Marlborough immense powers before he died to represent England both in war and matters of diplomacy. When Queen Anne took the throne, she too relied upon Marlborough’s talents and skill as a soldier and statesman, but soon, felt that Marlborough was continuing the war for greater military and personal prestige and that his actions were now starting to hurt the nation. Queen Anne, tired of the insolence of the Marlborough and concerned to preserve the essence of national integrity, dismissed the Whigs and sought to deprive them of power, thus turning over peace negotiations to a Tory, Henry St. John Viscount of Bolingbroke (1652-1742), who engaged in secret peace negotiations in France while Marlborough was still fighting in Europe. With Queen Anne no longer actively supporting Marlborough and instead leaning on Tory influence, the Whigs were thrashed in the general election, and the Tories secured new positions and power within the government. Furthermore, Marlborough, who had captured Boschian in September 1711, was then accused by the ruling Tories of speculation and

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88 John Churchill’s service lasted through five different monarchies. He was a renowned solider and diplomat. These skills allowed for him to unite an unwieldy alliance of countries against Spain and France. Under his leadership he took the British army from a minor European power, to one of the most powerful and feared fighting forces in Europe.
90 Henry St. John served in a number of roles under Queen Anne, his most notable was that of the Ambassador to France during the negotiations of the Treaty Utrecht. Fearing that King George the I had learned of St. John’s role in the secret negotiations and his support of the Jacobites, St. John fled to France in 1715.
was replaced by James Butler, the 2nd Duke of Ormond (1665-1745), who did nothing to progress the war forward for the allies.

It is important to note the status by which party lines tended to fall. Tories were typically made up of those of the gentry caste that funded a large portion of the war through high taxation, and that money was spent servicing the debt. Tory papers, pamphleteers, and supporters saw that the future growth of the economy and power lied in the accumulation of land to drive profits. Therefore, their goals when seeking concessions during peace negotiations was to expand territorial gains for colonial expansion. For example, when discussing the south seas, Tories had hoped to acquire or establish gold and silver mines to pay off Whig financed sovereign debt. Tories also sought land accumulation to develop farms, trading posts, and other physical territories, as land equaled wealth and status. Tories, like their late seventeenth century predecessors, believed the key to securing Britain’s economic future lay in creating a territorial empire. Such an empire preserve the natural social order at home while guaranteeing that Britain could compete with any commercial power overseas. Therefore, when seeking peace with Spain or France, offering substantial trading concessions was not seen as detrimental to the British economy if territory and empire were secured and expanded under these agreements.

Whigs tended to be merchants, financiers, and tradesmen who were profiteering off the war mostly through financing the debt which was paid back to them, with interest, through taxation. The merchant class was not immune from paying taxes in the form of customs and duties on the products they bought, sold, and shipped. Financing the debt was a highly profitable

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91 James Butler was an Irish political leader and a military commander. He too was accused of supporting the Jacobites and their uprising. Fearing for his life, the Duke fled to France when King George the 1st took the throne.
venture, for the National Debt at the accession of Queen Anne in 1702 was £16,000,000 by 1714, after the Peace of Utrecht had been finalized, the National Debt had ballooned to £69,000,000. The Whig financers indeed had motivations to oppose the peace process with the Spanish, as continual war meant greater borrowing from the government.

Jonathan Swift, the eminent satirist, insisted in his published tract entitled “The Conduct of the Allies, and of the late Ministry in beginning and carrying on the Present War” that the War had been maintained by ‘the Fears of the Money-changers, lest their Tables should be overthrown,’ suiting ‘the Designs of the Whigs, who apprehended the Loss of their Credit and Employments in a Peace.’ Jonathan Swift’s appeal directly to the public at large in his tract call for peace and argued that peace had not been obtained because of Whig war-mongering was to be blamed for unnecessarily prolonging hostilities. Swift furthered his argument and focused the failure of domestic party politics for peace not being realized at the moment, stated that ‘whether this War were prudently begun or not, it is plain, that the true Spring and Motive of it, was the aggrandizing a particular Family (the Churchills), and in short, a War of the General Marlborough and the Ministry (the Whigs), and not of the Prince or People.’ The Tories, fighting against Whig ideals and profiteering from the war, took up the “Country” concern. This position was built upon the uneasiness over the growing national debt, and rising taxes that had been expanding during wars with France and now with Spain. The Tories argued that the Whigs were attempting to establish a fiscal-military state. Furthermore, during the Nine Years War,
Junto Whigs had used the war to line their collective pockets, and the Tories were unwilling to give them another chance at war profiteering.

The Treaty of Utrecht was acutely controversial in Great Britain. It was a Tory peace pushed through in the face of bitter Whig opposition which did succeed in watering down massive commercial rapprochements with France that was integral to Tory plans. Arthur Maynwaring (1668-1712), a prominent Whig writer and Minister of Parliament, claimed that the Tories had not done enough to try and restore the House of Habsburg to the Spanish throne, and that their failures were poised to allow the French to gain a trading monopoly in the Spanish Indies. The Whigs had sought to push for a larger and more expansive war with Spain in which they could achieve greater trading concessions, or press to put their preferred heir to govern over Spain. Whigs sought to place Charles the III on the throne as Maynwaring and James Stanhope (1673-1721), the 1st Earl of Stanhope who was an accomplish British solider, politician and diplomat, had negotiated a secret treaty which would have assured free and open Trade in Spanish America for English Merchants. But negotiations between numerous governments throughout Europe were firmly underway, and deviation could have collapsed the entire peace process. When it came to multinational war in Europe, often peace conferences and agreements were completed through bilateral peace, commerce, and military treaties. Often, these treaties reestablished going back to a status quo when it came to alliances and trade. Furthermore, full resolution could take years. Negotiations for Utrecht started in 1711 and did not fully concluded until 1715.

Lastly, the War had gone from resounding British victories, to limited success on the battlefield, and then to stunning losses. Soon the allies saw that engaging in further combat might

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have weakened the British and Allied positions when it came to suing for peace. These disagreements and contentions played out publicly in newspapers, tracts, and pamphlets produced by both parties and nation states. These were written to try and influence and change public opinion on the terms and process of settlement. During the time the Utrecht negotiations took place, society and public opinion were undergoing a profound change in which the social concepts questioning arcana imperii, and the public demanding to know if their leaders were acting for the common good. The public found themselves deeply drawn into the debate and expressed an interest in how the negotiations were proceeding. The growing interests, in turn, put pressure from the public onto the parties and threatened to unseat a party if the other side was effectively able to sway the reading public’s opinions.

Queen Anne, whose government had started the steps towards peace, died. King George I succeeded her and now inherited the final peace accords. King George felt that the Tories had betrayed him and abandoned the house of Hanover. Furthermore, the King saw the secret Tory negotiations as a betrayal of Britain’s allies that were formed to fight Spain and France. It should be noted that George I was not an ardent supporter of England when he first assumed power. King George was far more committed to the house of Hanover and to the position of the Allies that had fought the War of Spanish Succession. Therefore, when the Tory peace was completed at the exclusion of some of the Allies and negotiated in secret, the King was greatly offended and felt his interests had been overlooked.

George, now harboring a strong distrust of the Tories, allowed the Whigs unprecedented control over governance. Their power was further cemented when the Whig ministers of Charles

\[99\] Latin for Secrets of the Empire
\[100\] Schmidt-Voges, I. New Worlds? 79.
Townshend, James Stanhope, and Robert Walpole successfully put down a 1715 Jacobite rebellion that attempted to depose George and replace him with William III. Viscount Bolingbroke and other high-ranking Tories were actively engaged in the Jacobin plot to return the Stuarts to power in England. The scheme had failed, and the Whigs framed Tories as dangerous Jacobians who threatened to depose the King. This slur caused the Tories to fall out of favor with the general public and the King, forcing them to become a prescribed minority.\(^{101}\)

George also threatened architects of the Tory peace agreement at Utrecht with high treason and some of the leaders were questioned and most notably Robert Harley, the Earl of Oxford, was jailed for his role in the secret negotiations. He was eventually released, however, the dominant ruling core of the Whig party would be challenged when George I made his first trip back to Hanover, and a split occurred that threw some of the most prominent Whigs into the Tories embrace during the Whig Schism of 1717.

Once the issues of Spanish Succession had been settled, and a military peace had been obtained, Britain sought to further its reach into the Spanish American trade region. Britain had already gained favorable trading conditions directly with Spain in the European continent, however, it was apparent that Britain had a goal of gaining access to extract wealth from the West Indies. They legally gained this right through the Asiento, which was then managed by the newly founded South Seas Company, and quickly used the Asiento as a cover to expand illegal trade in the area.

Concessions Sought from Spain

The negotiations of The Treaty of Utrecht settled some territorial disputes between Spain and Britain such as the ownership of Gibraltar, but much of it revolved around issues of trade.102 Of the first order was to sign a Treaty of Peace and Friendship between Great Britain and Spain.103 In this treaty, Britain was again afforded the same trading rights which they had enjoyed under The Treaty of Madrid. It was noted that the British were to enjoy:

Free use of navigation and commerce between the subjects of each kingdom, as it was heretofore, in time of peace, and before the declaration of this late war, in the reign of Charles the Second (of glorious memory), Catholic King of Spain, according to the treaties of friendship, confederation, and commerce, which were for merly made between both nations, according to ancient customs, letters patent, cedulas, and other particular acts; and also according to the treaty or treaties of commerce which are now, or will forthwith be made at Madrid. And whereas, among other conditions of the general peace, it is by common consent established as a chief and fundamental rule, that the exercise of navigation and commerce to the Spanish West Indies should remain in the same state it was in the time of the aforesaid King Charles the Second.104

One of the main goals for the British Tory government was to secure a significant share in the trade with the Spanish Empire to the relative disadvantage of Dutch and French rivals.105 Desiring to gain dominance in trade was based around the economic belief that the balance of trade needed to be in a positive balance for a nation state, as a positive (trade) balance would be seen as signaling a healthy economy and a negative balance malaise.106 The Whigs had sought to

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102 The Treaty of Utrecht was not one exclusive treaty between Spain and Britain. Separate peace was made between a variety of nations with each other that had no impact on others separate peace negotiations. Throughout this paper, when referring to the Treaty of Utrecht the author is only discussing the Anglo-Spanish negotiated peace.
103 This was signed at Utrecht on the 13th of July 1713 and was to signal the end of the fighting and to grant the same trading rights that Britain had enjoyed before the war.
105 Langford, P. The Eighteenth Century, 1688-1815, 70.
106 Arthur Moore, and Irish Tory of the period, sought to replace the archaic economic view that all that mattered was negotiating to obtain a positive balance of trade. Instead, he sought to expand trade though the use of peaceful negotiations and building up alliances that shared similar goals and interest, thus avoiding war to gain concessions. Moore further brought up the idea and concept of focusing on the volume of trade over the balance of trade. However, in the end, Moore was not successful in changing the Whigs and merchants view on how to best approach trade agreements and negotiations.
gain access to the valuable Spanish West Indies markets as traders would be paid in gold and silver bullion that the government could use in return to pay off sovereign debt. Under the negotiated terms of the Treaty of Peace and Friendship between Great Britain and Spain, the British gained no such advantage and were told by Spain that they were entitled to:

Enjoy at least the same privileges, liberties, and immunities, as to all duties, impositions, or customs whatsoever, relating to persons, goods, and merchandizes, ships, freight, seamen, navigation, and commerce; and shall have the like favour in all things, as the subjects of France, or any other foreign nation, the most favoured, have, possess, and enjoy, or at any time hereafter may have, possess, or enjoy.107

Without renegotiation of trading rights and privileges, Britain would have been forced to resume their same trading position as it was in 1680. The British, however, were not seeking to be restricted to merely free navigation in the West Indies and favored nation trade status with European Spain.

To finally gain access to the Spanish West Indies, the British sought and acquired the rights to the Spanish Asiento in the Treaty of Navigation and Commerce between Great Britain and Spain.108 The Asiento was Britain’s economic access to the West Indies as it allowed for the sale of slaves, and a yearly ship that was allowed to trade at the market in Portobello. The war-weary, and almost bankrupt French and Spanish found themselves in a relatively weak position from which they could negotiate. England sought and obtained a thirty-year exclusive contract with Spain to Asiento which granted the British:

The contract for introducing negroes into several parts of the dominions of his Catholick Majesty in America, commonly called el Pacto de el Asiento de Negros, for the space of thirty years successively, beginning from the first day of the month of May, in the year 1713, with the same conditions on which the French enjoyed it.109

107 Macgregor, J. Commercial Tariffs and Regulations of the Several States of Europe and America, 36.
108 This was signed in Utrecht on the 28th of November 1713.
The British gained the exclusive monopoly to trade slaves and a license that permitted one ship a year to openly trade in the Spanish West Indies. The Asiento privilege was limited to the importing annually of 4,800 negroes in America. Spain also gave England the right of entry to Portobello, and the guarantee which Spain would concede to no other nation of privilege for the commerce of the Indies. Though Spain had never managed to make money from this business, the Tory government had as few financial doubts as moral doubts about a trade that it was confident would help bring the country's budget, deep in deficit because of the war, back into balance. The long War of Spanish Succession had more than doubled the national debt to £36 million. Servicing this new debt soaked up a large percentage of the Nation’s annual expenditures.

Thus, seeking more markets and income was in the interest of the British government. Additional amendments to Asiento soon included the British right and the added privilege of bringing back the "fruits" of their sales in goods, bullion, and coin. Under the terms, the king of Spain was to receive a fourth of the profits and five percent of the balance of the gain. The Spanish crown never held twenty-five percent of the company as initially stipulated. Instead King Philip V bore responsibility for a quarter cost of the company. Nothing in the negotiations favored the Spanish crown. The king was slated to be the last in line to receive any of the profits earned, and further, had to suffer the cost of any losses the company would incur, which was frequent as the Asiento would be found to be unprofitable. King Philip was alerted of

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110 James, L. *The Rise and Fall of the British Empire*, 59.
these pitfalls by Bernardo de Tinajero, one of the negotiators of the Asiento agreement. He warned King Philip that, without the profits from the smuggling of goods, the black slave trade simply was not a lucrative business.\textsuperscript{115}

A further commercial advantage was the annual ship, originally of five hundred tons burden, later of six hundred and fifty tons, in which English goods could be brought for sale at the annual fairs in Spanish America and Spanish goods could be shipped out in exchange.\textsuperscript{116} Furthermore, the Asiento was highly coveted among the nations of Europe. When a country held the rights to the Asiento, the holders were guaranteed to a significant market and source of revenue in Spanish America, the possibility of trade in other goods and access to Spanish ports where that nation or it’s merchants might engage in the significant contraband trade in the area under the guise of legitimately trading in the parameters of the Asiento.\textsuperscript{117} One of the ways traders exploited the Asiento was bringing over large supplies of flour, wool, and other goods under the guise of supplying their factories they had established in various Spanish ports to supply slaves through. Furthermore, now that the British had gained the rights to the Asiento, the government needed an instrument that could engage in the new-found access to the Spanish West Indies.

**The South Sea Company**

The South Sea Company\textsuperscript{118} was initially established to resolve the government's floating debts contracted during the War of the Spanish Succession. Also, the Tories had set it up to act

\textsuperscript{115} Ibid, 156.
\textsuperscript{117} Finucane, A. *The Temptations of Trade*, 13.
\textsuperscript{118} A point of note is that the South Seas Company initial trading function was to be carried out near the regions of Peru and Chile, which at that time were considered to be in the area of the South Seas. However, the East Indies Company already had exclusivity to trading routes that were necessary for the South Seas Company to access in
as a counterweight to the Whig-dominated Bank of England and East Indies Company. The idea for a company to obtain an exclusive trading agreement with the Spanish goes back to 1707 when James Stanhope, an English Diplomat, attempted to persuade the Spanish Archduke Charles to allow the British to engage in free trade in Spanish America using a specially formed company that would seek to replace French and Dutch trade in the region. The Dutch, however, found out about this attempt and diplomatically informed the British that this would breach the Treaty of the Grand Alliance and the idea was dropped by the English. The next plan to establish a new joint stock company for exclusive Spanish Indies trade was proposed to Robert Harley in October 1710 by John Blunt, George Caswell, and Ambrose Crowley. These men sold the idea as a joint stock company that was set up to solve the problem of the floating debts that had been accrued by a variety of government ministries and departments. The South Seas Company would convert the floating debt into company stock. This method was a standard means for dealing with government debt at that time and had already been practiced by the Whig-dominated Bank of England and East India Company.

The company was awarded the Asiento. As noted, this granted the company the highly prized exclusive rights to trade slaves to the Spanish American colonies. It was established via a statute passed early in the year 1711, and connects itself, on the one side, with a remarkable stipulation in the Treaty of Utrecht, and, on the other, with great calamities overtaking the British empire some years after the end of our period. It stands on the statute-book as “An Act for

order to trade in those areas. Once it was apparent that access would not be granted, the South Seas company sought to gain the trading rights to the West Indies.


making up deficiencies and satisfying the public debts; and for erecting a corporation to carry out a trade in the South Seas; and for the encouragement of the fishery; and for liberty to trade in unwrought iron with the subjects of Spain; and to repeal the Acts for registering seamen.”

The Act proclaims that “it is of the greatest consequence to the honour and welfare of this kingdom, and for the increase of the strength and riches thereof, and for the vending of the product and manufacture, goods, and merchandises, of or brought into this kingdom, and employment of the poor, that a trade should be carried on to the South Seas and other parts in America within the limits hereinafter mentioned; which cannot so securely and successfully be begun and carried on, as by a corporation and joint-stock exclusive of all others.”

Furthermore, in the vicious world of international trade, England felt it could only compete if its joint-stock companies were awarded sovereign powers to enforce their monopolies and protect their exclusive trading privileges by whatever means necessary. This power allowed them to raise up military fleets and hire private troops or fund companies of British forces to protect their interests.

The South Seas Company was composed of the most influential businessmen in England, such as Samuel Shepard, and men who later held powerful positions within the government, such as Robert Walpole and soon to be ambassador to Spain Sir Benjamin Keene. The Company was to issue stock and take over short-term public debts. In return, the government established a fund to pay the Company a tax-free annuity. With this annuity, the company was able to pay 5% interest on the issued stock. To drive and help investment in the South Seas Company, the government granted the Company a monopoly over all trade in the West Indies as a way to

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123 Ibid, 218.
induce investors to purchase stock. The South Seas Company would not only generate personal
profits for the shareholders, but also provide capital for governmental loans that would help
England promote a vigorous foreign policy that would include expanding commercial interests in
the West Indies. Eventually, over speculation in the company would lead to the infamous
South Seas bubble and create an economic calamity in Britain.

The South Seas Company itself wielded a large amount of power in British politics and
diplomacy in the later part of the 1730s. Eventually, the British South Seas Company worked as
a semi-official body of the British government, and occupied an outstanding place in the
relations between Spain and England. The South Sea Company was organized with the King
of England as governor and majorities of the members of the court of directors for the company
were active Ministers in the British Parliament. Because it had deep ties to officials within the
British government, often the company’s issues became state issues. The blending of politics and
money would eventually become a contributing factor to the War of Jenkin’s Ear.

Spanish Governance and Diplomacy After Utrecht

The War of Spanish Succession saw the decline of the Spanish power in Europe with the
loss of much of the territory it controlled. The Spanish King was forced to renounce any claim to
the French crown and found that many of her traditional allies had abandoned her. The British
negotiators Doctor John Robinson (1650-1723), who held the position of first plenipotentiary,

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124 Simms, B. Europe: The Struggle for Supremacy, from 1453 to the Present, 77.
125 Hildner, Ernest G. "The Role of the South Sea Company in the Diplomacy Leading to the War of Jenkins' Ear,
1729-1739." The Hispanic American Historical Review 18, no. 3 (1938). 323.
126 Aiton, A. The Asiento Treaty as Reflected in the Papers of Lord Shelburne, 169.
127 John Robinson held a number of religious and diplomatic titles throughout his career. He is best known in his
diplomatic capacity in the congress of Utrecht.
and Lord Thomas Wentworth (1672-1739), Earl of Strafford, did not bend and balked at many of the Spanish demands, including refusing to give up Gibraltar and Italian territory Spain desired back. Furthermore, Spain was forced to formally recognize King George I as the rightful ruler of Britain, and to end their support to place a Stuart on Britain’s throne.

After the war, Spain sought to consolidate and centralize power within the country. King Philip V being of French ancestry, found that the French model suited him for this reorganization. Madrid became his Paris, and political power was consolidated and monopolized by centralized bodies. Philip moved away from the Spanish systems of conciliar and instead introduce secretarial and ministerial capacities. Philip’s idea was to imitate the French model. This meant reconstructing the Armada, centralizing the administration, improving the roads. What was good for the monarchy was good for Spain. And what had strengthened the French monarchy would benefit the Spanish one as well”. Furthermore, it moved Spain towards economic modernization for the era. After the war, an audit was found that Spanish industry was almost dead, a consequence of the "alcabalas" and "millions" raising the cost of production to a point which rendered competition with foreign manufactures impossible. To be competitive again, almost all the bridges and roadways had to be, and were, improved as well as harbors and ports. The nation’s financial system was reviewed and adjusted. Furthermore, more competent administrators and diplomats needed to be appointed after the failure of the Spanish diplomatic corps to obtain positive concessions that were favorable to their country over that of Britain,

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128 Thomas Wentworth held a number of high posts throughout his tenure including the First Lord of the Admiralty, and notably one of the key negotiators at Utrecht. He was also indicted by King George the 1st on conspiracy charges against the allies for his role in the negotiations but was ultimately acquitted.
129 Storrs, C. *The Spanish Resurgence, 1713-1748*, 211.
131 Hume, M. *Spain, Its Greatness and Decay*, 351.
France, and Holland. However, reorganization often slowed or went unfinished during King Philip’s often mental episodes.

It is understood that while King Philip V was the monarch of Spain, his failing mental and physical health often left him incapable of engaging in the duties of governance. Philip’s bouts with mental illness at times had led to total incapacitation. He had once, in 1724, abdicated his throne because of his ongoing mental health issues. Queen Elisabeth Farnese (1692-1766), anxious at her own future and that of her sons, was determined to keep Philip on the throne and destroyed his abdication document before it could be made public.\(^\text{132}\) Thus, the Queen was widely regarded in her day as the real driving force behind Spanish policy. Unfortunately, the Queen was also prone to pursuing goals and plans that were of little value to Spain and its people.\(^\text{133}\)

Philip V, and more importantly Queen Elizabeth Farnese, had placed great trust in Julio Alberoni (1664-1752)\(^\text{134}\) to negotiate peace with Britain, and was constantly outwitted by the British negotiators. It was his diplomatic failures that solidified George’s claims, and he opted out of an invitation to join France, Britain, and the Netherlands to ally, further weakening Spain’s position in Europe. Now Spain faced the combined powers of those nations and had few backers and protectors of her own. Alberoni was a political pragmatist and not an intellectual, but he had the ability to influence the Queen of Spain to buy into his political and diplomatic schemes which would lead the nation into another series of wars just a few years later.\(^\text{135}\) With

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\(^{132}\) Storrs, C. *The Spanish Resurgence, 1713-1748*, 129.

\(^{133}\) Ibid, 129.

\(^{134}\) Julio (Giulio) Alberoni was a soldier, priest and politician. He was instrumental in setting up the marriage of King Philip the 5th and Queen Farnese.

the help of Special Financial Advisor Jean Orry (1652-1719), a Frenchman, Alberoni spent the next decade in an effort to modernize the Spanish government, commercial system, and trading mechanisms. A new system of four ministries had been established, consisting of War, State, Government, and Justice. In 1714, facing the abject corruption in the Indies, a Department of the Indies was formed. Even after his failings and eventual dismissal, other generations of Spanish reformers continued Alberoni’s work on rooting out corruption and focusing on modernization of all levels of Spanish governance.

Now that war had ceased, Spain looked to renovate her economy and possessions by reclaiming her trade in the West Indies. The remittance of public revenues from the Indies had declined steadily to alarming levels. England, France and the Netherlands established large and rampant contraband, and smuggling rings in areas that Spain had failed to supply during the war of Spanish Succession. The British argued that if Spain only opened up the West Indies markets, illicit trade would not be needed and that the King of Spain himself would profit. Illegal and contraband trade arose because:

The Spaniards (in the West Indies) finding that the established Method of trading from Old Spain to America, was not sufficient to supply the Wants, or at least to satisfy the Desires, of the Inhabitants of their Colonies there; and that the Temptation to Foreigners to introduce European Goods, and to trade clandestinely on those Coasts, was very great; and that the Spanish Subjects likewise reaped great Advantages therefrom, and consequently the Revenues of the Crown of Spain must greatly suffer thereby.

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136 Jean Orry was a well-respected economist and finance minister. Orr was key in reforming the Spanish tax system and helped implement many of the early economic reforms that were design to help the Spanish recover after the War of Spanish Succession.


138 Ibid, 33.

139 Roberts, J. *Great-Britain's Complaints Against Spain Impartially Examin'd: And the Conduct of Each Nation, from the Treaty of Utrecht to the Late Declarations of War, Compared. To Which Is Added, an Abstract of the Several Treaties Which Have Been Entred Into Between the Two Crowns, So Far as They Relate to the Present National Disputes.* London: Oxford-Arms in Warwick-Lane, 1739. 5.
The Spanish colonial bureaucracy was also rife with corruption and graft throughout the region. All levels of the colonial government were taking bribes and a personal cut of the contraband trade, and thus had a more significant stake in preserving the system than closing it down. In an effort to end the need for bribery, the crown established the *Real Factoría de Indias*, and institution controlled by the *intendente* general of the navy on behalf of the King.\footnote{Eissa-Barroso, Francisco A. *The Spanish Monarchy and the Creation of the Viceroyalty of New Granada (1717-1739): The Politics of Early Bourbon Reform in Spain and Spanish America*. Leiden: Brill, 2017. 136.} With the *Factoría* in place, Spain could now fund and pay the salaries of those in charge of ports and trading houses immediately instead of having to wait for the return voyages of the ships.

However, even these steps did not stem the tide of illegal trade. Antonio de la Pedrosa, the man who was to establish and set up the system to allow for the first Viceroy to operate in the West Indies, had to choose to either stabilize and make the operations of the royal treasuries more effective and efficient, or fight corruption. De la Pedrosa initially met with Faustino Fajardo, a treasury official who had frequently and openly spoken against the rampant corruption by his fellow officials. De la Pedrosa interviewed the accused men and instead of finding out who the culprits were, was met only met with denials of any wrongdoing by the officials. Frustrated, de la Pedrosa instead focused his energies on ensuring that all cargo that entered the ports, illegal or not, was fully inspected, documented and that the merchants paid the applicable taxes on their goods.\footnote{Ibid, 139.} This at least would allow for the crown to more effectively extract revenue from the Indies and have it added to the treasury, not the pockets of local officials. Unlike Britain, the Spanish crown was seeking to deprive powerful corporations undue influence and power at the expense of the crown.
Additionally, any attempts by the Spanish to shut down the illicit trade threatened the powers of England, France, and the Dutch who were profiting immensely off the illegal trade in the Indies. Any attempts to stem the illicit trade caused diplomatic strains with those powers who had just recently entered into a new powerful alliance to challenge Spain. Therefore, it was politically and diplomatically beneficial for illicit trade to continue unmolested in the West Indies. However, King Philip would again seek to expand and regain Spanish territorial holdings in Europe which would inflame the continent a few short years later.

British diplomacy and focus saw major shifts during the years 1712-1720. Parliament had eroded the monarchy’s power in order to ensure that Britain was the focus and not overseas interests. Because of this, members of Parliament were able to more effectively push British first policies, and their own personal interests, when it came to matters of diplomacy and trade. The Stanhope-Sunderland government, under pressure and advice of the South Seas Company, pushed the king towards war with Spain over the perceived ideas that Spain was not adhering to the terms of the Treaty of Utrecht. British Foreign Minister Craggs, who was tasked with diplomatic duties with the Spanish government, made ultimatums based upon trade issues in the West Indies to keep the British out of the looming war. However, the Spanish were still trying to rebuild their economy, and they saw economic protectionism in the West Indies as the path forward. Further fueling the flames of war was illegal British trading in the West Indies.

**Britain’s Governance and Diplomacy After Utrecht**

Under George I, future English diplomatic situations become complex, as at times it appeared English Sovereign was blatantly more interested in persevering and pushing the interests of his royal house and the members therein more than the interests of the country that he was responsible to govern and lead. The King kept what some have referred to as a dual cabinet,
with George maintaining an active group of ministers who were there to advise him on Hanoverian matters and interests and one set of advisors to look after British issues.

The now leading and powerful Whigs made up of Charles Spencer (1675-1722)\textsuperscript{142}, the Earl of Sunderland, James Stanhope, Robert Walpole, and Charles Townshend (1674-1738)\textsuperscript{143} were still loyal Englishmen. These powerful and influential Whig ministers and leaders did not allow George I to have free reign when it came to diplomatic matters, especially when it came to war and trade. Parliament had experienced monarchs in the past who had put House above country and had passed the 1701 Settlement Act to prevent a Monarch from using British Power to pursue Continental and Royal interests over that of the electoral and domestic affairs. Fear of foreign royal power by Parliament was so profound that by the time George had taken the throne; he found that his power had been in certain respects severely curtailed by the legislation of William the III’s and Anne’s reigns.\textsuperscript{144} The Whigs had ensured that the new monarchy had no power to raise an army, impose new taxation, appoint Parliamentary ministers that wielded any specific power or even leave the country without Parliament’s express permission. On several occasions during the seventeenth century, the monarch had attempted to involve his English subjects into European hostilities but found himself restrained by Parliament’s fiscal conservatism and parsimony of the House of Commons.\textsuperscript{145} This stripping of monarchical power allowed for Whig Secretaries of State to wield more power when it came to negotiating peace settlements favorable to their causes and using the power of the Royal Navy to push for their interests.

\textsuperscript{142} Charles Spencer was part of the Junto Whigs collective. Spencer held a number of top governmental positions throughout his career. Throughout this paper he will be referred to simply as Sunderland.
\textsuperscript{143} Charles Townshend held a number of high posts in the British government throughout his tenure. His role in defeating the Jacobite uprising earned him favor with King George.
\textsuperscript{145} Brewer, J. \textit{The Sinews of Power: War, Money and the English State 1688-1783}, 137.
Further empowering the Whigs was George I’s reclusiveness. George often resorted to hiding from the public view and avoided public events and speeches mainly because he was unable to speak English. For example, when George I initially arrived in England in 1714, one of his Hanoverian ministers or secretaries drew up a paper of proposals in which it was carefully explained how the king could arrive late enough at The Hague to avoid “much embarrassment and a great crowd of people.” However, these people he spoke of avoiding were now his people. When George I returned from a trip to Hanover, his ministers had been informed that he wished 'that there be little concourse of noisy attendants at his landing or on the road to London as possible, and he sought to land at Margate or Gravesend to ensure that he could completely bypass London if he was able to. Since the King held court infrequently, or rarely ventured out to meet with ministers, his power was weakened in the eyes of many in the government.

George’s lack of presence empowered cunning ministers and George’s son, The Prince of Wales, to exert more significant influence on the government. The Prince was thoroughly insulted and angered when his father had left for Hanover in 1716, as the King left him as the regent, albeit, with circumscribed powers. King George did not fully trust his son, and he made this distrust clear by giving the Prince of Wales the least amount of power needed to rule with. Because of this slight, the Prince moved towards a position of greater political independence. The Prince soon was welcoming men of all political thoughts and persuasions to his court, seeking to exert his influence within the government. Many of the men he embraced had fallen out of favor with the King or his ministers and were looking to regain some of their

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146 The Whigs firmly believed that all political power belong to the citizenry of a nation. Thus, in their view, the King only had power because of an unwritten contract with the citizenry. If the Monarch was not acting in the best interest of the people or the state, then the people had the right and duty to deposed and replace the monarch.


past influence by courting the Prince. Tories and disgruntled Whigs flocked to Hampton Court to be welcomed graciously by the prince and princess. The Princess’s company, Walpole predicted, would be “two to one of the King’s enemies by end of the summer.” He was sure that the Prince was preparing to keep up an interest in parliament independent of the King’s. Furthermore, in August Walpole reported to Hanover that the prince had been canvassing support against the next session among Tories and discontented Whigs.149

Even though the Whigs had regained power with King George I, they soon found themselves at political odds with each other inside their party. The friction started between the Whigs over the issue of the prince’s executive role in his father’s absence. During this time a litany of officials lost their posts or left them due to unhappiness with the positions offered them. This unhappiness and loss of powerful and experienced men caused issues within the Whig party. This dissatisfaction created competing factions that arose after the Hanoverian succession. The major defection was when Walpole and Townsend resigned, leaving Sunderland and Stanhope in control of the ministry. This event is known historically as the Whig Schism.150 This schism eventually led to Walpole trying to align with the Tories to regain power and influence. The differing ideology and quest for power, however, ended this alliance quickly, leaving Walpole to try and curry favor among the Whigs to return to power. Eventually, the Prince and the King reconciled, and with the deaths of Stanhope and Sunderland, Walpole and Townshend returned to power and consolidated their position with the Whigs.151

150 The Whig Schism is an important political event during this era, but it is of such a large study that it would consume this entire thesis to cover all aspects of the events surrounding it.
Robert Walpole’s accomplishments cannot be downplayed in the study of British governance. In fact, he is one of the most important figures in the history of the British Empire. Once firmly back in power, Walpole became the First Lord of the Treasury, and more importantly, the Chief Minister of George I. Aside from being a talented statesman, Walpole, who was highly engaged in pamphlet writing, often sought to sway public opinion through his writings.

**The War of the Quadruple Alliance**

The War of the Quadruple Alliance is historically viewed as to not to be over West Indies territory or matters. However, trade disputes and want of access to the West Indies markets had indeed again fueled the flames of war. However, trade disputes and want of access to the West Indies markets had indeed again fueled the flames of war. Minster Alberoni was trying to bring an end to the illegal trade that both the English and French were engaged in throughout the Spanish Empire, and at the same time carry out the wishes and desires of his patrons. France had virtually gained control over the Peruvian trading markets, bypassing direct trading restrictions imposed by Spain by marrying Spanish women and having children with them. Furthermore, English smuggling was more rampant than ever in the West Indies. Alberoni had started to restrict French and Dutch trade in the Spanish Cadiz trading houses and instead granted England greater access in an attempt to keep the British merchants pleased and out of the brewing conflict between Spain and Italy. However, Alberoni soon found out about the Anglo-Austrian alliance.

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152 Trade was a secondary concern to Spain. The war was more driven by the Spanish Queen in a bid to secure an inheritance for her children. The Spanish Queen was obsessed with regaining lost territory in Italy. King Philip was also obsessed with reclaiming his lost Italian holdings. Alberoni however felt slighted by the French attempts to have his ousted from his position and punished them and the British through loss of economic access.
that was forming and started to restrict British access to Spanish ports and trading markets that were supposed to be open to them under the terms of the Treaty of Utrecht.

British Foreign Minister Craggs detailed four major grievances that needed to be addressed by Spain if it wished for Britain to stay out of the brewing conflict. These grievances all of course centered around trade, not on Spanish intentions on Italy. Craggs charged that Madrid had violated agreements on tariff prices for British goods, Spain was restricting permitted trade goods into their ports, the South Seas company was not allowed its annual trading ship loaded with British trade goods to the West Indies, and it was forcefully embargoing British vessels in Spanish ports. Craggs made it clear to the Spanish ambassador that the British were entitled to fair and open access to Spain, fair and reduced tariff fees, access the West Indies under the terms of the Asiento, and that Britain was not going to give up any concessions to their rights to trade with Spain. Spain refused to back down from their actions and imposed greater restrictions, thus continuing to violate the terms of the commercial aspects of Treaty of Utrecht with Britain, France, and the Dutch who were granted special trading privileges by the agreement.

Trade in Spanish Europe was not the only trade dispute occurring. In the West Indies, the Spanish were complaining, with actual grievances, about the irregularities with British shipments of goods. Often the five-hundred tons of products the British were allowed to legally ship into Spanish held territories once a year was frequently over by hundreds of additional tonnages. The South Seas Company accomplished this by docking the allowed trade ship in harbor, having it inspected, and then smaller ships would ferry goods to the larger ship, so it appeared that the vessel was still only carrying the allotted amount that it came into port with. The South Seas

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slave ships were also smuggling in more significant amounts of tonnages of goods not allowed under the Asiento or Treaty of Utrecht. These actions, when discovered, inflamed and angered the Spanish government who was attempting to reform their trading centers and ports in an attempt to end rampant corruption.

Soon Alberoni found that he had overplayed his position between all the nations that made up the Quadruple Alliance, and now had to hope that powerful pro-Spanish factions in the court of Versailles and the merchant interests in London would prevent either nation from stopping Spanish Ambitions in reclaiming lost territory from the War of Spanish Succession.154 Initially, it seemed that some merchant’s concerns might have prevented Britain from entering the war with Spain, however some of the community such as Hugh Thomas argued that not going into war would create a ruinous financial crisis and declared that, “if the King of Spain seizes our merchants’ effects and proclaims war against us, our South Seas Company is undone and all our Trade ruined. This will cause such a run on the Bank, South Sea, East India Company and Exchequers as must infallibly ruin the kingdom.”155 There were members of the British Parliament opposed to war because they had significant financial stakes in trade and thought that war would hurt them in their pocketbook. They were more “inclined to believe that the grievances complained by our merchants might have been redressed in an amicable manner”156 instead of looking to resort to a costly and long war. In response, it was pointed out by Col.

154 Alberoni was granted unprecedented powers from King Philip in 1717. King Philip had succumbed to yet another mental breakdown and had granted his most trusted minister, Alberoni, with the power to make and wage war and sue for peace.
Stanhope that as the envoy to Spain he had, “presented at least five and twenty Memorials to that court (Spain), in relation to the complaints of our merchants, without any success hereupon.”

The powerful South Seas Company also pushed for war to protect its trading interest. In September of 1718, on the advice of the Stanhope-Sunderland ministry, the company submitted to the king a representation accusing the King of Spain of breaching the treaties concerning the Asiento trade. To ensure that the Company’s grievances were heard, their pleas were published in the Daily Courant, a ministerial newspaper. It was made clear during the debates in the British Parliament during 17 of December 1718 that protecting the overall integrity of the trading agreements agreed to in Utrecht were more important to Britain. Hugh Boscawen 1st Viscount Falmouth, on behalf of King George, addressed the MPs and issued the declaration of war based off of the need to “redress the many injuries done to the subjects of Great Britain by the King of Spain, to the unspeakable detriment of the trade of these kingdoms.” To which George II Treby, Secretary of War moved that, “This House will, with the greatest cheerfulness and with the upmost vigour, assist and support his majesty in the war with the King of Spain, until Spain is reduced to accept of reasonable terms of peace and to agree to such conditions of trade and commerce, as this nation is justly entitled to by their several treaties.”

Both France and Britain citing trade violations of the Treaty of Utrecht and King Philip’s invasion of Sardinia, committed the Quadruple Alliance to war in 1718 to stop Spanish aggression. The British had found out that Alberoni and Cardinal Cienfuegos sought the humiliation of England. The two Cardinals were found to be working with Jacobian conspirators.

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157 Ibid, 57  
159 Ibid, 58.  
with the goal of ruining the house of Hanover. This war, they had hoped, would bring about the restoration of the Stuarts, the spoliation of France, and the re-establishment of Catholic supremacy in Europe.\textsuperscript{161} Thus, Britain could not idly stand by while Spain sought the overthrow of its monarch. However, the war also managed to create a financial crisis for the South Seas Company, as its legal trading of goods and slaves was halted until 1722 and was one of the factors that triggered the infamous South Seas bubble.\textsuperscript{162}

Since the end of the War of Spanish Succession, the West Indies had enjoyed relative peaceful trade in the region. Privateering and piracy had been held in check by the presence of the British Navy and the Spanish \textit{guarda costa}. However, with the outbreak of hostilities in Europe once again, the British King ordered reprisals and seizures of Spanish subjects and their goods as compensation for British merchant losses. King George justified these actions stating that “It would be endless to enumerate the complaints of our subjects relating to the infractions of treaties, the breach of ancient and established privileges, and the unwarrantable obstructions of their accustomed trade and commerce.\textsuperscript{163} France and Britain further pointed out that the Spanish had instigated the War, thus reprisals were justified and legal.

Privateering was not just an activity engaged in by the British, but all sides ensured that they were waging economic war on their enemies. Even between allies, trade remained a zero-sum game of fierce competition. Partners in a common collective undertaking were perceived to be as trustworthy as outside neutrals or enemies, ‘exploiting every occasion to thwart and ruin commerce and navigation.\textsuperscript{164} Privateering knew no limits in the West Indies, at times British and

\textsuperscript{161} Hume, M. \textit{Spain, Its Greatness and Decay}, 364.
\textsuperscript{162} Finucane, A. \textit{The Temptations of Trade: Britain, Spain, and the Struggle for Empire}, 57.
\textsuperscript{163} Ibid, 58.
French merchants found themselves boarded and had their property and products stolen from ships, even while the British and French armies were fighting Spain. The belligerents justified this by looking for enemy goods on any ship. Contrary to all treaties [...] the ‘slightest indication of any merchandises pertaining to a subject of the King of Spain’ was enough to trigger avaricious British marines or privateers to search for and to confiscate the said merchandise.\textsuperscript{165}

Furthermore, the justification of privateering followed the same rationale that had been propagated in other wars, that loss of revenue and profits that merchants and the country should have made in times of peace should and could be recouped by robbing and pillaging their enemies on the high seas.

\textit{Treaty of the Hague, February 1720}

After a series of quick and humiliating defeats, King Philip exiled his once trusted advisor Cardinal Alberoni and sued for peace with the alliance. The Spanish court under the direction of Jose de Grimaldo (1660-1733) entered into peace negotiations with the British statesman James Stanhope and Sir Benjamin Keene (1697-1757)\textsuperscript{166} at the Hague. During this time the various diplomats put the balance of power first; individual merchants’ complaints on violations of the regulation of trade only came in second place.\textsuperscript{167} After the Treaty of Utrecht, formal diplomacy became the norm between the competing European powers and this was the case in the negotiations during the Treaty of the Hague. Instead of addressing the growing commercial complaints from merchants on all sides, the diplomats sought to focus on amending

\textsuperscript{165} Ibid, 113.
\textsuperscript{166} Sir Benjamin Keene was an accomplished British Diplomat when it came to negotiating and trying to keep the peace with Spain and Britain. He spoke Spanish and was trusted and well received in the Spanish Court. He did have connections with the South Seas Company, however, they did not influence him when he tried to find a peaceful solution to the brewing conflict that eventually lead to the War of Jenkins’ Ear.
\textsuperscript{167} Dhondt, F. \textit{Commercial Treaties, Neutrality and the Aftershocks of the Spanish Succession}, 2.
the treaty of Utrecht as that had a priority over economic quarrels.\textsuperscript{168} James Craggs, Secretary of State for the Southern Department, declared, “the crisis where negotiations on Italy are in at present will further prolong the resolutions we had hoped for since a long time.” Issues over Spanish succession were again settled formally with it being declared in Article II of the Treaty of the Hague;

And as it is an integral part of these treaties that We (King Philip) abdicate and renounce Our claims to those kingdoms, countries and colonies which now form part of His Imperial Majesty's possessions in Italy and in Flanders, or which could be ascribed to Him as a result of the present Treaty, and of all the rights, kingdoms and colonies in Italy which in other times were part of the Spanish Crown, We, a born student of the arts of peace and of the common welfare, - and this is the strongest of all those impulses which motivate.\textsuperscript{169}

King Philip and his Queen finally had to accept that the lost Italian territory was not within their grasp. They lacked the military and economic power to wage a new war to try and expand their influence. Furthermore, their most important ally, France, was now working with England to thwart Spanish ambitions. The Spanish Armada, once again rebuilt and expanded during the War of Quadruple alliance, was thoroughly ravaged during the war, thus impacting its ability to guard and maintain its West Indies holdings and its ability even to protect its Mediterranean trade routes. The Spanish found themselves again in debt from an unsuccessful war, and it was now more critical than ever to protect their holdings in the West Indies in order to pay their debts. With fewer ships to patrol and defend their West Indies holdings, the Spanish Navy turned to harsher punishments to try and deter smugglers, often lashing and whipping violators, or in extreme cases lopping off ears. Pamphleteers, newspapers, and ambitious

\textsuperscript{168} Ibid, 1.
\textsuperscript{169} Treaty of the Hague, 1720.
Ministers in England would use these harsh punishments to push for War with Spain against a Prime Minister who had no desire to enter into conflict.

Throughout the periods between 1700-1720, Britain often sought to gain greater trading concessions and access to Spanish markets using gunboat diplomacy. The British used their victories in a war to achieve access and tariff reductions that the Spanish would have never relinquished under traditional diplomatic means. While the British were able to acquire such rights as the Asiento, favored nation tariff and duty rates, they were not always allowed to take advantage of the agreements that were made with the Spanish government. While the Spanish had agreed to these concessions in the treaty negotiations, they were not always willing to follow through on the treaty promises. The Spanish saw the terms to peace as a slap in the face, and always sought ways out of the agreements, or just failed to adhere to the terms. British traders and merchants docking in Spanish ports and thinking that they would go unmolested instead would find their ships being searched, delayed from port entry, charged duties and rates on exempt items, or simply harassed by the Spanish.

While violation of the treaty agreements created an open case in which the British and French could have renewed war with Spain, the British attempted to temper their responses between 1721-1739. Walpole and the British government were in debt, and the prospect of continual war was likely to bankrupt the government. The South Seas Bubble had created an economic downturn that threatened the British economy. Engaging in war further allowed piracy and privateering to raid British trading vessels, costing merchants at home hundreds of thousands of pounds in lost revenue, loan payments that could not be covered, and duties that the government would be unable to collect taxes on. Therefore, Britain sought to diplomatically spar and make alliances that would, in their view, force Spain to adhere to the trading rights and
privileges she had afforded to the merchants and traders. However, the Spanish still had hurt pride and still sought to regain territory that was lost during the War of Spanish Succession. With the ouster of Alberoni, the Spanish turned to a new minister, Jose Patino, who sought stability and reform in Spain.

At the end of the War of the Quadruple Alliance, British politics also saw a sweeping change in leadership like that of Spain. Many of the leaders that had been in power since 1710 had either retired or died, Stanhope and Sunderland were among those who had passed. In place of the Stanhope-Sunderland faction arose the Walpole-Townsend ministry, which created a new dynamic in foreign relations and administrative management which impacted future diplomatic exchanges between the British and Spanish. Walpole and Townsend had worked hand in hand for years, but as the ministry progressed the friendship that had formerly existed between Townshend and Walpole changed into a feeling of jealous and irritable coldness between the two. When two men, each inordinately fond of power, each struggling for supremacy, and each desiring to be the exclusive recipient of royal favor, were found occupying the highest positions in the Cabinet, it became only a question of time and opportunity for the one to triumph over the other.170 The death of King George I and the rise of King George II only further strained the relationship of Walpole and Townsend. This power struggle between these two men shaped the path of diplomacy and the course of the nation over the next twenty years.

Between 1712-1720 British merchants sought to exploit loopholes in Anglo-Spanish treaties. If the British merchants could not find a loophole, instead they traded directly and willfully in violation of treaty terms. Nonetheless, all of this trade was done with the

understanding that British merchants were openly and willfully disregarding the Spanish desire to keep trade protections in place and to not to open its West Indies markets. The Spanish were still stuck in a protectionist attitude that was unbending to British wants and demands. However, the Spanish were still unable to provide the manufacture goods and needs of their colonies, thus illegal trade was being fueled by these needs, and the British were more than willing to fulfill the Spanish colonial requirements. Leading this push was the South Seas Company, acting as almost a direct arm of the British government, thus again pushing diplomatic focus from the continent to the West Indies.

Chapter 3
1721-1729

From 1721-1729 Spain sought to further limit and deprive Britain of trade in the West Indies. To accomplish this goal, it was proposed that a new trading company formed by Austria would have greater access to Spanish trade with equal if not greater access than that of the British. This would allow for the manufactured goods to reach Spanish America under a legal trading company that benefited Spain and her allies. This came about as Alberoni’s attempts at reforming and reasserting control over Spanish transatlantic trade had failed just as much as his attempts at military conquests in Europe. British, Dutch, and French smugglers still operated freely within the West Indies and often openly traded in Spanish ports with little consequences. Alberoni was unable to stamp out the high levels of corruption that plagued the colonial bureaucracies and ports, and the contraband trade only grew, while those communities receiving the illicit goods grew more dependent upon them. Most of those people working in the trading houses and running stores and businesses depended upon the underground trading markets to keep their shelves stocked and their lifestyles maintained by the profits and bribes; therefore,
they were unwilling to turn in smugglers. The Spanish still regarded commerce in the Spanish Atlantic as a closed metropolitan monopoly, and they sought to shut out all foreign intruders, while the British viewed Spain’s resistance to allowing them access as an unfair restriction to free trade.\textsuperscript{171}

Jose del Patino (1666-1736)\textsuperscript{172}, the new minister advising the King and Queen of Spain, saw the Treaty of Utrecht as the principal impediment to any serious reform of Spain’s transatlantic trading system.\textsuperscript{173} Patino was correct in his assessment, as it was no secret in British circles that the Asiento was used as more of a cover to allow illicit smuggling and trading in the Spanish Indies than it ever was to be used for the selling of slaves. Robert Walpole, with his new-found power as the First Lord of the Treasury, was concerned with seeking to maintain peace on the European continent, and thus was not looking to engage in wars of adventurism. In fact, Walpole was often chastising those engage in illicit trade to stop as it hampered Anglo-Spanish relations. However, even Walpole understood the powerful forces that ran commercial interests in Britain, including the role of the South Seas Company and their lust for greater trade access. Thus, when faced with the prospect of Austria gaining enhanced trading access to the West Indies, Walpole caved to the powerful economic forces and fought to deny Austrian access through military intervention.

\textsuperscript{171} Kuethe, A. The Spanish Atlantic World in the Eighteenth Century. War and the Bourbon Reforms, 98.
\textsuperscript{172} Jose del Patino, like Walpole, was the de factor Prime Minister of Spain. He had worked closely with Albinoni, but often in private criticized the minister for what he saw as reckless foreign policy that pushed the Queen’s interests above that of Spain. Once in power, Patino often sought, like Walpole, a peaceful diplomatic solution to the two countries disputes.
\textsuperscript{173} Ibid, 103.
The Treaty of Vienna

After the successive military failures, Spain now found themselves with few allies. France was supporting the British and the idea of maintaining a European homogeny, and both of them were positioning themselves to extract more trading concessions from Spain. Spain, in an effort to boast herself militarily and economically, sought a new alliance with an old enemy. The Treaty of Vienna between Emperor Charles VI (1685-1740) and Philip V of Spain put an end to the legal quarrel that had been dividing them for twenty-five years. Under the treaty, Charles VI abandoned his claims to Spain, whereas Philip V relinquished his pretensions to the Austrian territories in Italy. Relations of enmity transformed into a full-fledged defensive and offensive alliance, oiled by Spanish subsidies. However, it again put the issue of access to Spanish trade, and put Britain’s favored nation trade status, in jeopardy. The Spanish signed a new commercial treaty with the Emperor that put the Imperial Trading Company at Ostend on a footing that was superior to both Great Britain and Holland. In return for this trade access, the Emperor offered up diplomatic and military assistance to Spain to help them wrestle control of Gibraltar from Britain.

The Habsburg Empire had set up the Ostend company in a bid to gain access to the worldwide mercantile economy. The British, French, and Dutch were using trade to drive their economies, and the Habsburg Empire was deeply in debt after fighting a series of wars in her east. Therefore, the alliance with Spain made sense, for it positioned the Habsburgs to enter the trading sphere, and take away market share from Britain and France, thus potentially weakening

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174 Emperor Charles the VI, or also known as the Holy Roman Emperor, was often seeking for a suitable heir to his throne. Lacking a male heir, rival monarchs sought to marry one of his daughters in order to secure the succession to his throne upon his death. The Queen of Spain frequently sought to secure this union with one of her sons.


both those nations economically while strengthening Spanish and Habsburgs’ position in Europe. The British were so opposed to this alliance and granting of trading concessions that the usually diplomatic Walpole, the then Prime Minister of England, was even prepared to declare war against the Ostend Company, which according to him posed a significant challenge to the English in the field of Commerce.\(^\text{177}\)

With this new powerful backing, the emboldened Queen Elizabeth of Spain told Colonel Stanhope in a meeting to “Choose between the loss of Gibraltar or your trade with the Indies.”\(^\text{178}\)

The British, being war-weary and facing military threats from the north, were willing to negotiate the return of Gibraltar, but only if Spain was willing in return to give the British an equivalent for the restoration of the fortress---and that would also have to be approved by Parliament. The British felt that seceding Gibraltar for Florida, or the eastern part of St. Domingo, and for certain commercial advantages would be a fair trade.\(^\text{179}\) However, Spain was not willing to offer anything in exchange as they felt the fort rightfully belonged to Spain and should be returned accordingly. The Queen told Stanhope to relay the Spanish demands to the British Government, which he did.

After communicating the Queen’s message to Townsend, the Minister issued a reply to the Spanish demands that was firm and resolute:

> “The king thinks it not consistent either with his or the nation's honour, after the treatment both his majesty and his people have received from the court of Spain, to lay his Catholick majesty's demand of the restitution of that place before the parliament; the late behaviour of Spain towards him and his kingdom having set him at liberty from any engagement his majesty might have been under of doing it.”

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\(^{178}\) Ibid, 323.

Britain now sensed that without sufficient military backing that Gibraltar was indeed in jeopardy to this new alliance. Britain sought to strengthen its alliance with France and shore up Germanic support to counter the Austria-Spanish push to exert greater power and influence on the European continent.

**Alliance of Hanover**

Britain and France were by no means friends or allies in the traditional sense. Instead, they were allies in promoting and maintaining a balance of European order. The Treaty of Utrecht did not amount to a mere territorial consolidation against an aggressive would-be hegemony, but had instead installed a system whereby France and Britain jointly managed to uphold a horizontal and stable international order.¹⁸⁰

The Austrian-Spanish alliance was now challenging Franco-British interests in terms of trade, commerce, military alliances, and another potential succession crisis. The Spanish sought to have their Prince Carlos marry the Archduchess Maria Theresa, thus merging the powerful nations. If the proposed dynastic merger took place, Britain and France would face an Austro-Spanish bloc stretching from Flanders on the English Channel to the heel of the Italian boot, and from Silesia to the Pyrenees and the walls of Gibraltar.¹⁸¹

The new Spanish alliance further put the most important national interest of Britain in jeopardy, that of maritime dominance. Horatio Walpole (1678-1757)¹⁸², Robert Walpole’s younger brother, noted that Spanish fleets had often challenged English supremacy upon the seas; and trade with Spain on both sides of the Atlantic had long held a leading place among

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¹⁸⁰ Dhondt, F. *So Great a Revolution: Charles Townshend and the Partition of the Austrian Netherlands*, 2.
¹⁸¹ Simms, B. *Europe: The Struggle for Supremacy, from 1453 to the Present*, 83.
¹⁸² Horatio Walpole was a British MP who also was an accomplished statesman and diplomat. He was highly engaged in matters of the European continent.
British commercial interests. The thought of Spain giving Vienna access to Spain’s overseas commercial markets, with trading concessions more significant and favorable than that of Britain or any other ally, was to great a threat to British interest. Thus, on September 3, 1725, Townshend, the British Secretary of State, on behalf of his government, signed the alliance of Hanover with France and Prussia and stated one of the preeminent goals of the alliance was to seek the "destruction of the Ostend Company." Further, both France and Britain stayed committed to protecting the territorial balance in Europe as previously agreed to under the terms of Utrecht.

Therefore, the Second article in the Treaty of Hanover affirmed the British and French goals to maintain their mutual goals. Yet again, protecting commercial interests was high on the list of objectives:

As the true aim and intention of this alliance between the said kings is mutually to preserve the peace and tranquility of their respective kingdoms; their above said majesties do promise to each other their reciprocal guarantee for the protecting and maintaining generally all the dominions, countries, and towns both in and out of Europe, whereof each of the allies shall be actually in possession at the time of the signing of this alliance; as also all the rights, immunities, and advantages, particularly those relating to trade, which the laid allies enjoy or ought to enjoy respectively.

While the Treaty of Hanover had been positioned as keeping European power in check and balanced, Britain benefited more under the agreement than her allies. That is because the treaty was drawn up purely in favor of English interests. There was opposition in Britain to the treaty as they argued that England was to be sacrificed for the promotion of strictly Hanoverian interests. "It is a treaty," said the first Pitt, "the tendency of which is discovered in the name." Thus Hanover," writes Chesterfield, "rides triumphant on the shoulders of England."

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185 Treaty of Hanover.
However, those who opposed it at home were unaware of the secret articles. The Treaty of Hanover was entered into to prevent the Pretender ascending the throne, to prevent Gibraltar and Minorca from falling into the hands of Spain, and to prevent hurt being done to English commercial interests by the maintenance of the Ostend Company.\textsuperscript{187}

Townshend, who then guided English foreign policy, had suspected that the Austro-Spanish alliance involved not only the Ostend attack on British trading monopolies, but offensive co-operation to recover Gibraltar and restore the Stuarts. With these accusations, Townshend whipped public opinion into a panic. By 285 votes to 107, the Commons voted that the treaty of Vienna was calculated for the entire destruction of the British trade,\textsuperscript{188} and thus the Alliance of Hanover was the only way to counter these threats. King George, in his support for the alliance, noted that the alliance was needed to curb the Austro-Spanish attempt “to threaten my subjects with the loss of several of the most advantageous branches of their trade.”\textsuperscript{189} Walpole, whether it was because he had taken only a secondary part in its transaction, and was therefore jealous of Townshend, or because he entertained real and sound objections, had not wholly approved of the Treaty of Hanover. But though he objected to certain clauses in the treaty, he felt bound to give it his unqualified support when he was informed of the nature of the secret articles, and that an invasion in favour of the Pretender was seriously meditated. He introduced the matter in the House of Commons, and the treaty was approved by a large majority.\textsuperscript{190}

Under the Alliance of Hanover, the unity of England and her allies was far more formidable than the emperor's loosely knit coalition. When Spain finally decided to lay siege in

\begin{footnotes}
\item[187] Ibid, 191.
\item[188] Hertz, Gerald B. "England and the Ostend Company," \textit{The English Historical Review} 22, no. 86 (1907). 265.
\item[189] Ibid, 267.
\end{footnotes}
an effort to secure Gibraltar, Spain quickly found that her allies were less than willing to come to a vigorous aid to her and her ambitions for the fort. On the other hand, public opinion still ran high in England, a crusade against commercial competition being the only essay in offensive foreign politics which appealed to her sordid imagination. Thus, by demonizing the Ostend company, British MPs and pamphlet writers created an enemy that was perceived as threatening the British public, the British economy, and Britain’s allies.

The Push Towards War

The public drumbeat towards war with Spain started in 1724. Leading the charge was Charles Forman. Forman penned Mr. Forman's letter to the Right Honourable William Pulteney, Esq. : shewing how pernicious the Imperial Company of Commerce and Navigation, lately established in the Austrian Netherlands, is likely to prove to Great Britain as well as to Holland in an effort to discredit the Whig’s more pacifist policy. In this letter, Forman argued that the Ostend Company, “portends much mischief to the Trade of Great Britain.” In his writings, Forman “humbly beg leave to lay before you some of those Dangers with which it immediately threatens the Trade of Great Britain.” Forman makes the case that the balance of power was about to be shifted through trade, territory, and seafaring vessels. The letter fulfilled its purpose and riled up public opinion against the Ostend Company and the new alliance. Furthermore, it put pressure on the Walpole-Townsend government to act on this new supposed threat to British maritime and commercial supremacy.

191 Ibid, 281.
193 Ibid, 9.
Throughout 1725 and 1726, the threat of the Austrian-Spanish alliance was further emphasized by pamphleteers and the various politically allied newspapers in Britain. In 1727, in a letter *The Tallies of War and Peace, Or, What May Be Expected from the Present Situation of Affairs in Europe*, the author argues that if Spain and their allies seek to inhibit British trade and force a pretender to the throne that:

> If, contrary to Treaties, any Nation or Nations are resolv’d to interfere with our Trade, deprive us of our Possessions, or offer to force upon us a Pretender, we must have War, and give them their fill of it, since the Warning given them already for their own Good seems to prove ineffectual.  

The famous writer and man who had significant commercial interests that could have been interrupted by the new Spanish alliance, Daniel Defoe, argued for war in his pamphlet *Advantages to Great Britain and its Allies from the Approaching War*. Defoe first railed against the government’s actions up to this point declaring that:

> The Conduct of the Hanover Allies has been Passivist, Healing, and visibly endeavoring to, heal and make up the breaches which have apper’d, and to preserve a good understanding between the powers of Europe: On the other hand, the Conduct of the Enemy has been menacing, provoking, and insulting… In a Word, they have breathed War on every Occasion, that if possible, they might make it necessary to the Allies to begin it.  

Next, Defoe argued that while going to war to protect British trading interests was important, that this war could be become a profitable venture for the nation. And that the War could pay for itself through the seizure of Spanish treasure ships. In his tract he argues:

> The Triumph of their Enemies over them, shou’d the Money fall into the Hands of the Hanover Allies, would be infinitely a greater Mortification to Spain, as well to their Pride as their Power, than the Loss of the Money; for this wou’d be enabling the said Allies to carry on a War against Spain at the Spaniards Expense: and this I make no questions they shall do, though they shou’d not take the Treasure at Sea at all. But of that by itself.

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194 *The Tallies of War and Peace, Or, What May Be Expected from the Present Situation of Affairs in Europe. Dublin, 1727*. 22.


Finally, Defoe made his case in terms of trade. In his other writings he presented that case that if Spain started a war, the belligerent countries would be freed from the obligations of the former treaties regulating the trade with the Spanish colonies.\textsuperscript{197} This breach of the agreement would allow for Britain to carry out trade in Spanish America and not be in violation of the old order and treaties.

While the call for War was gaining momentum, other citizens and Ministers were fighting against it. Unconvinced of the arguments of men such as Defoe, they feared further increasing sovereign debt. With debt came an increase in taxation. Those most impacted by increases in taxes, as earlier pointed out, were those of the gentry class who maintained vast property and estate holdings. Further, some merchants had been impacted by the loss of trade access during hostilities or they had their ships seized by pirates or the Spanish government. With each renewal of hostilities, the merchants, traders, and businessmen worried that if the allies did not gain success over Spain, that they could lose access to the footholds they had already established in the West Indies during peace negotiations. However, even with these fears, the push to war continued.

Meanwhile, in Spain, Jose del Patino’s government was trying to balance the desires of Queen Elizabeth, as she wanted to both regain control over former Italian holdings, and her need to stop rampant contraband trade in the Spanish West Indies trading markets. The South Sea Company’s agents were often less interested in selling slaves and instead were running lucrative contraband markets, which allowed them to make immense profits without paying duties, taxes, or providing their investors a return on their investments. The South Sea Company had managed to disrupt all attempts by both sides to try and maintain a legal and fair-trading apparatus that

\textsuperscript{197} Satsuma, S. \textit{Britain and Colonial Maritime War in the Early Eighteenth Century}, 204.
would have helped both nations and potentially soothed diplomatic relationships between the two countries.

Jose del Patino had insisted on favoring a policy of friendship with the British, while at the same time he continued to actively peruse the naval and military reconstruction of Spain’s power, to counter that of the British hold on maritime power. Furthermore, the Emperor sought to rebuild the ties between France and Spain to bolster a position of pacification. The Austrian Emperor was in no way attempting to wage war with France, Britain, or any other member of the Alliance.

Throughout all the attempts at peace and restoration between these nations, the Queen of Spain was still fixated upon one goal, obtaining a royal inheritance in Italy for her children, even if it meant Spain would come under undue stress and war from foreign powers. Trade concerns hardly played a role in her thoughts on diplomacy, or even on governance. This single-mindedness frustrated attempts at peace as diplomats who did not fall in line with the Queen’s objectives were either dismissed or relegated to lower, less influential posts. In Spain itself, the Queen’s singular purpose was now well understood and resented. The Austrian connection was extremely unpopular, especially amongst the nobles; and even the King's ministers were divided. Secretary of Foreign Affairs for Spain Juan Bautista Orendain (the Marquis de la Paz) was in favor of it, while Grimaldo, Bermudez the King's confessor, Patino, and others, were wanting and seeking an alliance with England and France. The scale was turned by the Queen's new favorite, the Austrian ambassador Marshal Konigsegg, who became, all but in name, prime

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minister of Spain. All those who had opposed the Austrian alliance were sent about their business.199

With these changes, diplomacy fell apart. The Spanish treated Stanhope the English ambassador with studied insult, and Cardinal Fleury's attempts to restore good relations between England and France were frustrated.200 The British, fearing that war was indeed inevitable, had preemptively sent their fleets to the Mediterranean, and more importantly to the Gulf of Mexico, and started to patrol and prepare to blockade Spanish ports in the West Indies. This move incensed the Spanish. Secretary of Foreign Affairs Juan Bautista Orendain, on November of 1726, demanded that the British should remove their fleet from America. Stanhope replied in a letter to the Spanish court with the following:

(The Spanish depredations) induced his Britannick Majesty to equip the " several Fleets he had then put to Sea," were (caused by) the notorious Infractions which the Spanish Guarda Costas " have for a long Time made with regard to the Commerce and Navigation of his Majesty's Subjects " in the West-Indies; Infractions which have been openly complained of, without the least Assurance " of Satisfaction or Reparation." And in a letter presented to the Marquis de la Pas, " thought fit to put an End to the Depredations and open Hostilities, which have been for some Time " almost daily committed in the West-Indies by the " Spaniards, or to give the King the least Satisfaction " for the Damages done to his Subjects, in Violation " of all Treaties. Damages so many and so great, " that this Treatment from his Catholick Majesty would " have sufficiently justified the King's taking the most " vigorous Measures for Redress." 201

When the British failed to comply with the demand to remove the fleet, in December of 1726 Orendain presented Stanhope with a letter that was equivalent to a deceleration of war.202

**Anglo-Spanish War- 1727-1729**

To call it a war may be an overstatement. The conflict mainly consisted of the British navy attempting to blockade Porto Bello in Panama. The British had hoped to disrupt the Spanish

199 Hume, M. Spain, Its Greatness and Decay, 366.
200 Ibid. 367.
201 Roberts, J. Great-Britain's Complaints Against Spain Impartially Examin'd, 8.
202 Langford, P. The Eighteenth Century, 1688-1815, 84.
silver shipments from the region, but instead, disease killed thousands of British sailors and soldiers, and the silver shipments managed to slip through and reach Spain. The Spanish, for their part, attempted to besiege and retake Gibraltar. From February 11, 1727 to the 12th of June 1727 they laid siege but made no headway. The British expertly used their sea power to supply the fort; thus the siege failed.

The British and French, fearing the Austrian alliance with Spain, had negotiated a secret diplomatic agreement between them and Austria that kept the Emperor out of the conflict. Thus, the Anglo-Spanish War was posed to end quickly as the Spanish soon found they lacked the backing of their powerful counterparts. Although the war did not formally see a truce until 1728, no more aggressive acts were taken by either nation after June of 1727.

The Death of George I

Near the end of the Anglo-Spanish War, King George the I, on a trip to Hanover, grew ill and died. The news of George I's death reached Walpole at Chelsea, in a dispatch from Townshend on June 14, 1727. Walpole's favor with the prince had declined in proportion as it had risen with the king. He, therefore, could have felt no surprise at the coldness of his reception by the new king, who would give him no further instructions than to take directions from Sir Spencer Compton, the treasurer of his household, speaker of the house of commons, and paymaster to the army.203 There was a general belief that the current administration would be completely changed. It was well known that Sir Robert Walpole had irretrievably offended the

soon to be King George the II. The Prince had been frequently said when he came to the throne, that (Walpole) should never be employed.204

With the death of the King, new fears over royal succession and Jacobin plots presented themselves. Townshend, writing to Newcastle in 1725, thought that the buildup to the war was a faint so that the “Spaniards (could begin) their attack, upon us in favour of the pretender.”205 With his friends deserting him, the King signaling his replacement was imminent, and even so resigned to his fate Walpole said to his friend Sir William Yonge, "I shall certainly go out; but let me recommend you not to go into violent opposition, as we must soon come in again."206 He managed to survive and keep his post. Walpole’s survival has often been credited to Queen Caroline, and his ability to make deals and pay off his adversaries. With the government re-secured, the Jacobite’s being again thwarted from seizing power, the path to obtaining peace with Spain still was of the utmost importance.

**Treaty of Seville**

Signed in November of 1729, the Treaty of Seville signaled the end of hostilities between Britain and Spain. Robert Walpole, William Stanhope and Sir Benjamin Keene were all party to the negotiations. However, while Sir Benjamin Keene was highly involved in the Treaty of Seville, he was deposed at the last minute from being the sole English signatory of the treaty by the return of William Stanhope, and he felt some chagrin because all the credit and reward for making that treaty went to his senior colleague, whereas he himself received no recognition of his services.207 This, evidently, did not impact Sir Benjamin Keene’s overall desire to stay deeply

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205 Ibid, 491.
206 Ibid, 22.
involved as the British representative to Spain, as he continued his service in this fashion for many years after. While it may appear that Stanhope had stepped in at the last moment to take credit, it should be recognized that Stanhope had a larger share in actually framing the treaty of Seville because much of the negotiated terms was done in Paris. But Keene, by his relations with Patino who signed for Spain with de la Paz, did far more to make certain of the consent of Spain.\(^{208}\) Therefore, both men deserve credit for the final negotiated settlement, as both had played important parts in ensuring of its success.

The primary function of the treaty, aside from peace, was to reestablish the conditions in the empires first laid out in the 1667 and 1713 treaties. The Emperor's principal objective during the negotiations for peace was to secure the succession of his daughter Maria Theresa. For this, the Emperor was willing to sacrifice the Ostend Company of the Indies.\(^{209}\) Britain agreed, and in return the charter for the Ostend Company was revoked, and it became no more a menace to the British trading supremacy. With this potential adversary subdued and peace with Austria secured, Britain sought to now resolve its issues with Spain. Britain was still unwilling to budge on the subject of Gibraltar unless Spain again was willing to offer something economically considerable in return, which Spain was still not ready to capitulate to. However, Elizabeth Farnese desired to establish her son in the Italian duchies and to revenge herself upon the Emperor for cheating her twice in the matter of the marriage of his daughter with the Infante Charles. To compass this object, she practically gave to England all it demanded aside from a deal for Gibraltar.\(^{210}\)

\(^{208}\) Ibid, 41.
\(^{209}\) Hume, M. *Spain, Its Greatness and Decay*, 367.
\(^{210}\) Ibid, 368.
The Asiento was readopted and placed on the same footing as earlier agreed to.\footnote{Finucane, A. The Temptations of Trade: Britain, Spain, and the Struggle for Empire, 80.}

Walpole sought, and gained the return of seized British merchant vessels and goods that had been taken as spoils of war to alleviate the demands of compensation from the merchant class. In Article II of the separate articles, it states that “all ships, merchandize and effects, which shall not have been taken or seized on account of unlawful commerce, and which shall now be proved authentick proofs and documents to have been detained, seized or confiscated… shall be immediately restored.”\footnote{Wiener, J. Great Britain: Foreign Policy and the Span of Empire, 1689-1971, 62.}

Walpole, above all else, was committed to the peaceful co-existence between the two states. He was a man who was not militarily aggressive and often sought a diplomatic solution over that of force. Thus, when there were some in Britain who fought against peace, Walpole published his views on why he was happy for peace and tranquility in a pamphlet named Observations Upon the Treaty Between the Crowns of Great Britain, France, and Spain Concluded at Seville. He laments that “I am not the least bit surprised at the pains some people have taken to discredit the Treaty with Spain even before they have seen it,” but he then follows with happiness in that, “I cannot help rejoicing at their (those opposed to peace) disappointment, which has at once destroyed all the pleasing prospects of power and revenge which they had had for some time flattered themselves with.\footnote{Walpole, Robert. The Treaty of Peace, Union, Friendship, and Mutual Defence, between the Crowns of Great-Britain, France, and Spain,: Concluded at Seville on the 9th of November, N.s. 1729,: Taken from the Daily Post-Boy of January 8, 1729.: To Which Are Added, the Two Separate Articles. London: S.n., 1730, 3-4.}

Some of the powerful men fighting against peace, or more so the ineffective nature of the treaty with Spain, were those in the South Seas Company. A pamphleteer wrote about the ineffectiveness of the agreement stating that, (Walpole) knew that the Publick was daily a
Witness to the loud Complaints, made by these Persons, of the Seizures, Detentions, and Depredations which our Merchants suffered, without being defended, or having the Means of doing themselves Justice put into their Hands.\textsuperscript{214} The merchants felt that they were being unjustly penalized by the Spanish over minor infractions, and that the government was doing nothing in return to support their pleas.

Although they lamented of their treatment at the hands of the Spanish, the British and the South Seas Company were still engaged in profitable smuggling ventures, even to the exasperation of Walpole and legitimate merchants in the West Indies who were seeking to stop the practice. With smuggling and contraband trade came the search and seizures of trade ships found with even the most minute infraction of negotiated agreements. The Board of Trade lamented before the king and Parliament that the Spanish were also changing the terms of negotiated peace after the ratifications of a public and solemn treaty. Furthermore, Spain was doing it with manifestly intended, not only to debar the British subjects of that liberty they enjoyed before the said treaty was made, but in some measure, to deprive them of the common right of all nations.\textsuperscript{215} The right of course being able to engage in trade in the Spanish West Indies. Walpole, listening to the early pleas, fought against the Spanish habit of overzealous enforcement of the treaties arguing that it “should never be the case of any ships that traded fairly to our own ports, and had not carry’d on any unlawful commerce to the Ports of the Spanish West Indies, for no ship that has not been trading can be seized or confiscated for having Spanish money onboard.”\textsuperscript{216}

\textsuperscript{214} The Observations on the Treaty of Seville Examined. London: Printed for R. Francklin, 1731. 7.
\textsuperscript{216} Ibid, 20.
After the events of 1721-1729 an Anglo-Spanish peace had again been settled and established in a sense, and trade continued, both legal and illegal. However, many festering issues were still not addressed that had previously caused bouts of hostility with the two nations. A commission between the two nations was established to try to address any future grievances between the two powers to prevent future military conflict, yet the commission often proved ineffective. Most of the time, during the commission’s annual meetings, were spent on dealing with Spanish demands for compensation and on the issue of illegal trade being carried out by British merchants. Furthermore, Spain still felt that any additional access to the West Indies would only continue to stunt Spanish economic growth. Britain saw that greater access was vital to fuel their expansion and wealth, which led powerful financial forces to continue to pressure the British government for expanded access, or to continue to turn a blind eye to the rampant illegal trading occurring in the region. Neither side were willing to seek a compromise. Thus, the failure to settle the disputes by this method resulted in constant bickering between England and Spain, especially over the question of the Negro duties and the other problems which grew out of it, leading directly to war in 1739.217

Chapter 4

1730-1742

By 1730 Britain and her merchants had grown frustrated with their trading relationship with Spain. While they had the rights to the Asiento, the trade was not particularly profitable for Britain. It suffered from high duties, a poor fiscal policy, impediments from Spanish officials, and competition from the illegal trade. Despite the annual privilege, there were only eight British

217 Hildner, E. The Role of the South Sea Company in the Diplomacy Leading to the War of Jenkins’ Ear, 328.
sailings to New Spain under this treaty between 1717 and 1733. Under the Asiento agreement, the British were to have one commercial ship allowed per year to the trading markets in Spain. However, war and political tensions had frequently delayed these from ever sailing or allowing to anchor in port, thus depriving the British access to the much sought-after trading market into the Spanish West Indies. By the mid-1730s, frustrated South Seas Company investors voted to recommend to the crown that it liquidate the Asiento entirely. The ever increasing and frequent violations of the commercial treaties had continued to strain Anglo-Spanish relations. Even after the series of small wars between the two powers, and the reaffirmation of the commercial treaties and their texts, violations of the terms and restrictions to the markets continued. Spain was still focused on protecting its markets in hopes that it could continue to be financially beneficial to their country. Britain had shifted their focus from continental matters. Instead, Britain was seeking to expand their Empire in terms of territorially, and more so, economically. This pushed trade access to the Spanish West Indies to the front of British commercial interests, however, Robert Walpole was not wanting to commit militarily to expansion, and hoped to keep peace, as that meant retaining power and hopefully commercial prosperity. In the end, commercial influence proved to be too great of a force for even Walpole to oppose, and a war of trade loomed on the horizon.

**A Shift in British Diplomacy & Continued Grievances**

Britain was undergoing yet another shift in political leadership which would change the course of how Anglo-Spanish diplomacy would be handled. Townshend had been known to have a more adventurous and militaristic view of how to maintain the Anglo-French balance of power

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218 Young, P. *Domestic Politics and the Escalation of Commercial Rivalry.*

in Europe---meaning he relied more upon the threat or actual use of force when it came to
anything that might disrupt the balance of trade or power. Sir Robert Walpole’s idea of foreign
policy was easier to characterize than that of almost any other 18th-century minister; in a word, it
was peace.\textsuperscript{220} If Europe could be maintained in an environment of peaceful relations, then the
high costs of war could be averted, debt avoided, trade would happen without harassment and
become highly profitable for all, and taxes could be lowered. With peace came stability, and with
stability came political safety and security for Walpole. These differing styles and goals lead to a
rupture of relations between the two men in 1730. It is noted in Walpole’s memoirs that:

His resignation (Townsend’s) was owing to a disagreement with his brother-in-law and co-
adjutor, Sir Robert Walpole, which had long subsisted. It had been occasionally compromised
by the interference of common, friends, but finally broke into a rupture, which rendered the
continuance of both in office incompatible. The causes of this misunderstanding were various,
and originated from the difference of temper, from disagreement on subjects of domestic and
foreign politics, from political and private jealousy. Townshend was frank and impetuous, long
accustomed to dictate in the cabinet, and fond of recommending bold measures. Walpole was
mild, insinuating, pliant, and good-tempered; desirous of conciliating by lenient methods, but
prepared to employ vigor when vigor was necessary. The impetuous manners of Townshend,
began to alienate the king, and disgust the queen: several members of the cabinet were no less
dissatisfied with him.\textsuperscript{221}

With Walpole effectively now the British Prime Minister and Foreign Secretary, the path
forward in British politics and diplomacy was supposed to be one of peace. Walpole finished
diplomatic negotiations with both Spain and Austria. Further, Walpole navigated and helped
Spain and Italy to solve some of their diplomatic issues. However, Walpole’s actions had come
at a price. While the French maintained friendly relations of sorts with the British, they felt that
they had been betrayed by Walpole’s double-dealing to secure settlement of the Anglo-Spanish

\textsuperscript{220} Langford, P. \textit{The Eighteenth Century, 1688-1815}, 32.
differences. Thus, the French slowly were moving away from their long-held British alliance, and again sought out Spain as an ally.

Throughout this political shift, trade and commercial issues again began to come to the front of foreign policy. The Spanish Minister Patino, seeking ways to combat smuggling and contraband trade, started to enlist and use Spanish corsairs that had been used during the last war to augment the Spanish fleet in the West Indies. The unrestrained attacks by the Spanish corsairs, like the shady contraband business that it sought to combat, functioned without clear boundaries and rules, and illicit and legitimate commerce alike suffered serious losses. The Spanish also attempted to recruit spies and informants to get a better understanding of the extent of the smuggling activities occurring in the West Indies. During the negotiations of the Treaty of Seville, the South Seas Company invited John Burnet, an agent of the company, to assist the British delegation. Burnet had spent more than ten years as an agent for the company in the West Indies, and it was thought he would be a valuable expert to assist in the negotiations. However, the Spanish and Burnet had entered into a secret agreement, as Burnet had grown an affinity for the Spanish after all his years living and working among them. Burnet provided the Spanish government with any information he had on the illicit trade being carried out by the South Seas Company and by its employees throughout the Spanish Empire. In general terms, Burnet declared that the South Sea Company had long kept the Spanish American colonies flooded with English contraband goods through such practices as false measurements and excessive crowding of the permission-ships, sending merchandise on the packet-boats that were supposed to carry only negro slaves, licensing individuals who traded extensively under cover of supplying slaves

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222 Langford, P. The Eighteenth Century, 1688-1815, 33.
to those sections of the Spanish American coast where the company did not have factories.\textsuperscript{224} His information was designed to present an accurate and precise set of complaints that could be used against the British to revoke the Asiento and turn it back over to the Spanish government. For this information, Burnet was given a pension from the Spanish government and a political appointment in the government.\textsuperscript{225} It was during this time that the full extent of payoffs to high ranking Spanish officials and the level of smuggling occurring became known. As damning as the information was against the South Seas Company, the British and Spanish again agreed to continue on the Asiento based upon the terms negotiated under the Treaty of Utrecht, with modifications.

Now armed with Burnet’s detailed information on the smuggling activities being carried out in the West Indies, in 1731, the Spanish military governors of Santa Marta moved to end smuggling operations using military officers to subjugate native populations who controlled the contraband trade in their jurisdiction. Other governors used a system of military sentinels or small squads to patrol and intercept contraband at key locations.\textsuperscript{226} With increased enforcement came increased interactions between British smugglers and Spanish military officials, which often led to either imprisonment or in some cases death. The British public was starting to hear more and more of these “attacks” on their fellow countrymen, mainly from agents of the South Seas Company, and calls to do something to protect British merchants were slowly growing. Efforts were again attempted by both countries to solve and settle their trade disagreements, but again many of the problems in coming to a resolution of their issues came about because of

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\textsuperscript{225} Finucane, A. \textit{The Temptations of Trade: Britain, Spain, and the Struggle for Empire}, 81.
\textsuperscript{226} Eissa-Barroso, F. \textit{The Spanish Monarchy and the Creation of the Viceroyalty of New Granada (1717-1739}}, 222.
\end{flushright}
British smuggling that was still not controlled or even attempted to be reined in by the Government or the trading companies. Furthermore, it became apparent that trade negotiations from the 1670s were no longer adequate when it came to determine legal and illegal trade goods, as British colonies were now producing similar goods as those of the Spanish. The similarity of goods and products became an issue when Spanish guarda costas stopped British vessels and claimed smuggling, yet could not adequately prove that those products were indeed contraband. This constant stopping, searching, and being unable to prove illicit trade inflamed British merchants. For an unlucky few, smuggling now came with a death sentence.

When Viceroy Jose de Armendariz y Peruerena (1670-1740), the Marques de Castelfuerte, was assigned to the West Indies to reshape and end smuggling, he did so with vigor.\textsuperscript{227} He issued a royal cedula that stipulated that smugglers if caught, would be put to death. The same went for ministers and any Spaniards engaged in the illegal trading system.\textsuperscript{228} Under this new harsher system, the future face and name of the upcoming war met his fate with the guarda costa forces that were now acting in an open and hostile manner to anyone they thought was a smuggler, and they lopped off one of Captain Jenkin’s ears in the process. In response to growing incidents and complaints, the British Navy started to escort legitimate British commercial shipping vessels to the region.

In 1732, the merchants and shareholders of the South Seas Company sought to negotiate an end to the unprofitable Asiento agreement. While the Asiento gave cover to smuggling operations, it cost vast sums to maintain the legal service it was supposed to provide, with

\begin{itemize}
\item \textsuperscript{227} Jose de Armendariz y Peruerena, who had led Peru as its viceroy, was known for stamping out corruption in the territories he managed. This made him a logical choice when it came to bringing reforms to the West Indies.
\item \textsuperscript{228} Kuethe, A. \textit{The Spanish Atlantic World in the Eighteenth Century. War and the Bourbon Reforms, 1713 1796}, 120.
\end{itemize}
virtually no legitimate profit shown to offset the costs. This lack of profitability was due to smuggling operations of the other empires and independent merchants. An enormous number of private individuals, interlopers, and adventurers had successfully engaged in smuggling activities that had produced an unfair competition in which the South Seas Company could not contend with. While the South Seas Company was smuggling goods within their annual ship and slave vessels, the volume paled in comparison to that of which the private smugglers were able to import. Furthermore, South Seas vessels were often more closely scrutinized by Spanish inspectors, limiting their smuggling success at times. Contemporary pamphlets tell us that the interlopers sold slaves and goods at a price with which the Company could not compete, that New Spain and Cuba derived half their provisions from illicit sources, and the like. The prices of the Company were cut, their goods undersold, and even their existence endangered from illegal trade.229

The negotiations between the company and the Spanish were progressing, with the Spanish offering out a portion of the future profits to shareholders. However, the British government soon intervened and ended the negotiations. The only reason the Asiento was not turned back over to the Spanish was due to Walpole and Newcastle opposing the relinquishing of it as it had been a key part of the Treaty of Utrecht. Furthermore, during the 1730-1732 meetings to try and overcome disputes between the two nations, the account books for the South Seas Company were ordered to be inspected and audited to ensure that the King was being paid his fair share of any profits the company was generating. The South Seas Company instead obstructed and tried to prevent a full accounting of their activities, as it would be found out that much of its operations were in violation of treaty agreements. The lack of profit and the

continual missing of scheduled promised payments to the King of Spain would ignite more hostility between the Spanish and the South Seas Company. By 1735, the constant piracy and disagreement over unpaid duties led the Spanish to suspend the importation of Negroes. In early 1736, with no resolution, the Spanish king suspended all trade between the crown and the South Seas Company until duties were paid and the accounts of the annual shipments were provided to the Spanish court.²³⁰

**The Loss of Patino**

Patino had served in the role of unofficial Prime Minister of Spain for ten years. During that time, he proved himself to be a master at war, diplomacy, finance, naval affairs, and commerce.²³¹ It has been noted that Patino possessed all the qualities which were required to manage a suspicious and hypochondriacal monarch like Philip, and an artful impetuous and interested woman like the queen. He was equally master of every branch of policy, clear and prompt in the transaction of business, and combined uncommon address, subtilty, and suavity of manners, with the firm and persevering spirit of a Spaniard. He had become the most able statesman that Spain had seen in an Era.²³² But Patino fell ill, lingered on for a month, and on November 3, 1736, he died. Throughout his tenure, he had reshaped Spain’s navy and maritime trading systems. He established protectionist systems that help to revitalize and grow Spanish manufacturing. Furthermore, he was a skilled diplomat and negotiator that Spain desperately needed.

²³⁰ Hildner E. *The Role of the South Sea Company in the Diplomacy Leading to the War of Jenkins’ Ear*, 323.
²³¹ Hargreaves-Mawdsley, W. *Eighteenth-century Spain, 1700-1788*, 73.
With his death, Spanish diplomacy and governance would fall into the hands of three men, Sebastian de la Quadra (1687-1766), Patino’s handpicked replacement. Mateo Pablo Díaz de Lavandero y Martín, the Marques de Torrenueva (1681-1747), and Francisco de Varas y Valdes (1700-1752), none of which were nearly as capable as Patino had been. Sir Benjamin Keene, the British Ambassador to Spain, noted that “La Quadra will place his utmost merit entirely on his resignation to their orders, without prompting them to any party, or making himself responsible for the least imaginable accident.”\(^{233}\) Furthermore, historians have noted that, unlike Patino, who ruled his sovereigns even while affecting to bend to their wishes, and flattering their ambition, La Quadra possessed all the timidity and irresolution of a weak and contracted mind, and aspired no higher than to become the mere agent of the king and queen.\(^{234}\) Assisting Sebastian de la Quadra, was Torrenueva, the Secretary of Marine for the Indies, who was noted as being “a more difficult, tenacious, disputable antagonist never was met with.” Overall Sir Benjamin Keene felt that “This country (Spain) is at present governed by three or four mean stubborn people of little minds and limited understandings.”\(^{235}\) The inability of these three men working separately and with differing agendas, often left the new Spanish foreign policy confusing and contradictory at times, with one minister presenting an opposing message over that of another in British courts.

**The Demand for Retribution Against Spanish Depredations**

Walpole’s attachment to peace at all costs was often counter to a vast majority of the leadership of Britain. King George II did not share Walpole’s horror of warfare and was willing

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\(^{233}\) Ibid, 462.

\(^{234}\) Ibid, 463.

\(^{235}\) Temperley, H. *The Causes of the War of Jenkins Ear, 1739*, 199.
to enter into conflict if it meant the safety and security of Hanover. Furthermore, the King could not ignore the demands of European power politics and had to be ready to back up his alliances and commitments on the continent. Even Walpole’s subordinates did not fully embrace the prospect of perpetual peace, as they knew Europe was all too often in a state of turmoil with shifting alliances and competing interests between the empires and countries.

After the elections of 1734, and Walpole again assured of his position, he continued his calls for peace and tranquility in Britain. However, Walpole had made enemies on his way to secure his position and power. He was accused of corruption, buying off Ministers, and engaging in any action that he felt would help his position. Seeing the plights of the merchants could be used against Walpole, oppositional Ministers in Parliament decided to confront Walpole on the issue. During one such session, Sir William Wyndham (1688-1740) rebuked Walpole, first insinuating that Walpole only had power because, “(Walpole had) corrupt(ed) majority of his creatures, whom he retains in daily pay, or engages in his particular interest, by granting them those posts and places.” Then Wyndham called out Walpole for not protecting the merchant class, who were bitterly complaining about how the Spanish guarda costas were treating them, and that he was avoiding war simply to keep power. He stated; “Let us suppose the true interest of the nation by such means neglected or misunderstood, her honour and credit lost, her trade insulted, her merchants plundered, and her sailors murdered; and all these things overlooked, only for fear his (Walpole’s) administration should be endangered.”

Sir John Barnard (1685-1764) in the House of Commons pontificated;

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238 John Barnard was the Lord Mayor of London and a Minister of Parliament. During his time in office he often pushed for the commercial interests of London and its merchant class. He often sided with those seeking to lower
The abuses complained of by the petitions now before us, are, I must say, Sir, of the most extraordinary measure... By these petitions we are told, that the Spaniards have not only seized our ships, with their effects in the most arbitrary manner, but that they have inhumanely treated our seamen... These insults and abuses have been continued I may saw without interruption... This is not the first time our merchants have been obliged to sue this house for redress in this affair.239

Sir Barnard continued to point out that the British had frequently sought diplomatic redress from the Kingdom of Spain, yet some of the British merchant vessels that had been detained, either lawfully or unlawfully, by the Spanish for over eight years without resolution. Sir Bernard continued to argue that the Spaniards had bamboozled the British public and government, and that the Spanish could no longer be trusted to meet their treaty obligations. Thus a further, harder approach needed to be taken to protect the British merchants and their ships.

Many of those arguing for a War with Spain, did have an actual case that the Spanish were purposefully engaged in hostile activities against the British. It was coming to light that King Philip and his successive ministers, had adopted a policy to maintain indirect hostility against British trade, under the pretext of search and the rights of sovereignty. They knew that their officers and guarda costas frequently made illegal seizures, and committed unjustifiable outrages against the crews of British ships. Some of these captured ships and crews had been returned, and the offenders punished---though with the tardiness which was inherent in the Spanish counsels, and with the reluctance naturally derived from a knowledge of the constant and flagrant violation of the commercial regulations established between the two nations.240

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taxation on commercial goods and pushed heavily for greater access to overseas markets. He was also a fierce and vocal opponent to Walpole.


The push for war was quite open with pamphleteers churning out arguments against Spain, and demanding retribution and satisfaction against the guarda costas on behalf of the merchants who were being preyed upon. One such writer noted that;

There is a long and black catalogue of British Ships taken from us by the Spaniards. These heavy and sever losses have ruined so many of our traders and plantations. These losses have reduced many families to misery… Mr. Stanhope, the Spanish depredations in the West-Indies, say, The notorious infractions, which the Spanish Guarda Costas have for a long Time made, with Respect to the Commerce and Navigation of his Majesty’s Subjects in the West Indies; Infractions, which have been openly complained of, without the least Assurance of Satisfaction, or Reparation. These Things — are sufficient to exhibit the Reasons, which induc’d his Majesty to — equip the several Fleets be bath put to Sea.241

In Parliament, the calls for retribution continued with Alderman Willmot confronting Walpole and declaring, "Our countrymen in chains! And slaves to Spaniards! Is not this enough to fire the coldest? Is not this enough to rouse all the vengeance of national resentment? And shall we sit here debating about words and forms, while the sufferings of our countrymen call loudly for redress?"242

However, Walpole at this moment stayed unmoved by their calls. The opposition continued their inflammatory rhetoric and on March 3, 1738, presented a petition to Parliament, in which a group of merchants, sailors, planters, and other persons claimed to be harmed by the continual harassment of the Spanish in the West Indies. They presented harrowing tales of being hanged in irons for days, languishing in dirty dungeons, fed rotting food, being forced to perform manual labor, and finally tortured and beaten at the hands of their capture. These stories captured the imagination of the public and newspapers.

While citizen tempers flared in Britain, Spain was not immune from the demands of their citizens as well. Mobs patrolled through the different Spanish towns clamoring for vengeance.

241 Danvers, Caleb, and Nicholas Amhurst. Some Further Remarks on a Late Pamphlet, Intitled ; Observations on the Conduct of Great Britain ; Particularly with Relation to the Spanish Depredations and Letters of Reprisal. In a Letter to the Craftsman.: To Which Is Added, a Postscript, in Vindication of the West-India Merchants, against a Late Charge of Theft and Pyracy. By Caleb D Anvers of Grays-Inn, Esq. London: R. Franklin, 1739. 5.
against those who had insulted their country by calling her people cowards, spies, and brutes. From Cadiz to St. Sebastian, from Madrid to Barcelona, angry murmurs broke out against the arrogance of England in presuming to dictate terms to a proud race, whom her frauds and piracies had grossly injured.243

Back in Britain, more witnesses came forward to regale Parliament with their tales of woe. It became understood that the bearers of testimony had been induced by their interests. These witnesses and merchants came forward in hopes of obtaining reparation from Spain. They often exaggerated their injuries, and the treatment they received at the hands of the Spanish. Also, testifying against the Spanish was welcomed and encouraged; the merchants and witnesses had been encouraged by the opposition party to embellish their plight as drastically as they could. These oppositional leaders were fighting against the administration of Walpole, and in doing so, they used these witnesses to try and show that a pacifist policy was only hurting the country and British citizens alike. The witnesses were taught to believe, that if they made good their allegations, that Walpole who had tamely suffered such oppression would be removed, and that his successors would act with such vigor as to force the king of Spain to indemnify them for their losses and sufferings.244 Walpole was still willing to try and preserve peace between Britain and Spain. In a speech before the House of Commons on March 3rd, 1738, Walpole tried to make his case against war once more:

I shall readily agree, Sir, that our merchants have been often treated most unjustly and more inhumanly by the Spanish Guarda Costas, and that both the honour and interest of the nation are deeply concerned in obtaining reparations for past injuries... but we certainly ought not to have to recourse to arms as long as there is any prospect of obtaining redress in a peaceable manner.245

243 Ibid, 353.
245 Wiener, J. Great Britain: Foreign Policy and the Span of Empire, 1689-1971, 73.
Walpole was fully aware that the British traders abused the indulgence which they enjoyed, both by custom and treaties; but he knew that this indulgence, as well as the regular commerce, would suffer by war; and he was unwilling to wound the national feelings of the Spaniards. Walpole was sure that Spain was not ready for a war with Britain, and that he could find a diplomatic solution to avoid war. To this end, he was willing to negotiate out peace with Spain in Pardo.

**Convention of Pardo**

In an attempt to stave off War, Spain and Britain convened the Convention of Pardo in 1738 to try to peacefully resolve their issues. The stated goals, as laid out in the opening of the convention were to:

> Whereas Differences have arisen, of late Years, 'between the two 'Crowns of Great Britain and Spain, on account of the Visiting, Searching; and Taking of Vessels, the Seizing of Effects the Regulating of Limits, and other Grievances alleged on each side, as well in the West Indies, as elsewhere; which differences are so furious and of such a nature, that if care be not taken to put an entire stop to them for the present and to prevent them from the future, they might occasion an open rupture between (Britain and Spain).

At this time, Spain did not wish for war, especially with England, and agreed by the Convention of Pardo (January 1739) to pay an indemnity of £95,000 to the British as the cost of loss of trade and goods that had come about because of depredations. The justification for the payment was laid out in Article III, in which Spain admitted to holding British goods and ships, and that the payment was to be used to pay back those losses to British subjects. In return, Spain sought a peaceful arrangement of all open questions by a conference at Madrid, and also pressed for the payment by England of specific claims made by her against the South Sea Company.

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248 Hume, M. *Spain, Its Greatness and Decay*, 374.
Furthermore, the Spanish were seeking payment of £68,000 from the South Seas Company in back fees from the Asiento contract that was understood to be owed to the Spanish crown. This payment would be one of many factors that led to war between the two nations.

The leaders of each nation and their diplomats diligently sought to try and prevent the looming war. During the Convention of Pardo, the ministers engaged in complex negotiations over smuggling, depredations, and trading debts, and they nearly succeeded in producing a workable commercial settlement. However, the Convention of El Pardo failed to address one of the biggest British grievances, that of the Spanish right to search British merchant vessels in the West Indies to try and find smuggled goods. This right to search continued to be a source of friction between the two powers, and those who were seeking to find an excuse for war with Spain often latched onto this issue.

War had become inevitable after the terms and agreements were not ratified by either the King of Spain or the Parliament of Britain. Walpole’s overtures at peace had failed, and the war factions grew stronger and bolder in Britain. Walpole’s peace faction now laid open to a raucous William Pitt (1708-1778). Pitt stole the attention for the next few months in Parliament and emerged at the head of the anti-Walpole faction.

On March 8th, 1739 William Pitt took to the floor in Parliament to openly fight against the Convention of Pardo. In his speech he railed against the Spanish Right to search stating;

Sir as to the great nation objection, the searching of (British) ships… is an usurpation, an inhuman tyranny claimed and exercised over the American seas. The court of Spain has plainly told you (Walpole) that if you shall steer due course and if you shall navigate… near her coasts you shall be seized and confiscated! The complaints of your despairing merchants, the Voice of England has

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249 Young, P. *Domestic Politics and the Escalation of Commercial Rivalry*, 218.

250 William Pitt was well known for his deft hand with parliamentary politics and his unparalleled skills with rhetoric and language. Pitt eventually rose to become Prime Minister of Britain in 1766.
condemned it: be the guilt of it upon the head of the advisor: God forbid that this committee should share guild by approving (The terms of the convention and the right of the Spanish to search).  

King George II lost faith in Walpole and his overtures at peace and put his backing behind the now growing war faction headed up by Pitt. As the cries grew louder, the King of Britain formally declared war on June 15, 1739, which was followed by ratification in Parliament on October 23, 1739. The War of Jenkins’ Ear had started, and it would eventually be encompassed into the War of Austrian Succession.  

**The South Seas Role in the Causation of the War of Jenkins Ear**

From the first to the last the actions of the South Sea Company and its manner of trying to advancing its claims hampered the Government, increased irritation, and exercised a malign and disastrous influence on negotiations between the two powers.  

The South Seas Company refusal to pay the debts that the Spanish king felt entitled to was a primary driver in the commencement of hostilities between Britain and Spain. If the South Seas Company had abided by the terms of the Asiento, and engaged in the legal trade that it was entitled to, the conflict could have been averted. However, the South Seas company was unrelenting in its desire to pay nothing to the King of Spain. Some of this was based on the fact that the Company was near insolvency and could hardly come close to paying the £68,000 they owed in back royalties to the King. The King of Spain desperately needed the funds to make good on his promise to pay the British crown £95,000 to offset the losses British merchants had lost at the hands of the {	extit{guarda costas}}.

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252 The War of Jenkins’ Ear is often neglected and lumped into the War of Austrian Succession, thus becoming little more than a footnote to that larger European conflict.
253 Temperley, H. *The Causes of the War of Jenkins Ear, 1739*, 223
Even the public and pamphleteers of the era knew that the issues between the South Seas Company and the King of Spain were not going to be settled through diplomacy with G. Spavan noting in his pamphlet *Strenuous motives for an immediate war against Spain: with a short account of the vigorous war made by King Edward I for depredations upon his subjects: Mr. Addison's opinion of our trade and commerce: the author's thoughts upon the fatal consequences of losing the present opportunity* that; “The South Sea Company has very large Demands upon Spain already and as I am convinced they will never adjusted without a War; they must therefore comfort themselves with the hopes of having satisfaction for all their wrongs upon our Success.”

Justification for the war on behalf of the South Seas Company was defended in the press and in the public with one pamphleteer declaring that:

King of Spain did agree to pay that Sum (95,000) at a Time limited by the Convention; but when that Time came, the stipulated Payment was not made, by which means the Convention was manifestly violated, and broken by the King of Spain, and the English Subjects do to this Time remain without any Satisfaction for the many grievous Losses sustained by them. Which Violation of the Convention the King of Spain has been induced to colour by Reasons and Pretenses, which when candidly and impartially examined appear to be mere Suppositions, unsupported by Proofs, and void of all Foundation. Thus all impartial Men, if they consider and compare the Conduct and Behaviors the Court and Subjects of Spain, with that of the Court and Subjects of Great Britain, will be convinced, that his Britannick Majesty has entered into a just and necessary War.

Failures by both parties to adhere to even the most basic treaty obligations and agreements continually led to war between the two nations. The war of 1739, known to us as the Spanish War or War of Jenkins' Ear, was severe politics. It stood for all that was not dynastic self-seeking in the foreign politics of Spain throughout the century. This was not a war waged for

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255 Roberts, J. *Great-Britain's Complaints Against Spain Impartially Examin'd,* 81.
territorial claims, or by a Royal family member seeking for a dynastic expansion. The War was waged over trade and economics. The King of Spain in his Declaration of War against Britain pronounced that,

“That for the future the Trade and Commerce with all the English Subjects shall be illicit and prohibited, and all their Manufactures, Merchandizes and Produce, as likewise whatsoever they shall treat, negotiate, and transact in these Kingdoms, in such manner as the Prohibition of the said Trade is to be understood, as I will and understand it, to be absolutely and really forbidding and hindering the Importation of the said Commodities, Produce, Goods, Merchandizes, and Manufactures of the said Dominions.”

The King of Spain went on to list out his grievances, the same as which the traders and merchants of Britain had done. The war directly came down to the fact that illegal trade was happening in his colonies, which in turn hurt his country’s merchants and industry. To protect his nation’s economy, he felt that he had to end the over-reliance of British smuggled goods in the West Indies.

**Economic Impact of Illicit British/ French/ Dutch Trade on Spanish Merchants**

There are questions about how profitable illicit trade was for those who engaged in it, since records of illegal activity were rarely recorded or made public. This research sought to how profitable legal trade from the region was but ran into difficulties in obtaining full data sets. However, the documented evidence of the economic impact on Spanish merchants is clear. Decade over decade, fewer and fewer Spanish merchant vessels and commercial tonnage was shipped and purchased in Spanish American territory during the annual trade fairs. The chart

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256 The King of Spain's Declaration of War Against Great-Britain, 1739.
257 Queries were made to Professor Javier Cuenca of the University of Waterloo, an expert in International Trade (UK, US, Spain, and France) from 1716-1820. He reported that the period mentioned is poor in readily-available trade statistics. Prof. Cuenca further stated that any additional information would have to be found at Kew Gardens, part of the British National Archives. Professor David S. Jacks of Simon Fraser University, an expert in Economics, reported to me that his extensive research is still going through a process of data cleaning and that there are not complete sets of data available as of yet. I appreciate both Professors' willingness to try and assist me with this data.
below shows a gradual decline, and it should be noted that the decline started after the Spanish
allowed for free and clear access to the British in the West Indies after the Treaty of Madrid in
1667-1670. More striking is that over the course of approximately 140 years, the Spanish
population was increasing in the region, not shrinking, meaning that there should have been a
higher demand for Spanish products. While some of this loss of demand can be attributed to the
region’s growing self-sufficiency in regard to crop production and basic necessities, a majority of
those colonies did not set up and create a manufacturing-based economy, instead opting to grow
and maintain the hacienda system or engage in precious metal mining. Therefore, the need and
demand for manufactured goods should have shown an increase in shipping and tonnage needed
for a growing population and economy. Therefore, the constant loss and impact that smuggling
had on the Spanish West Indies economy cannot be understated. It is clear why Spain was first
willing to take desperate measures in the form of depredations against smugglers. Furthermore,
the case for going to war to preserve its economic prosperity was sound and just looking over the
amount of lost trade Spain was suffering at the hands Britain smugglers.

Galeones and Isthmian Fairs 1600-1739

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**Conclusions**

The British policy of engaging in war to secure access to Spanish America and more importantly the West Indies trade had indeed initially been successful up to 1712. However, from 1712-1739, the British merchants bitterly complained that they did not have full access to the West Indies trade, yet their engagement in illegal contraband trade was highly profitable. This
access was only realized after the expertly negotiated terms of the Treaty of Madrid by British diplomats granted British vessels free and unfettered access to the West Indies. Then with the granting of the Asiento after the War of Spanish Succession, again through expert diplomacy, the British merchants now had a valid reason to have trade goods in the region and have Spanish coins on their ships. The issues arose over British merchants abusing their access and creating a vast network of illegal trade in the region, one so prevalent that it had corrupted much of the Spanish governmental workers and created a dependency on British goods in Spanish held territories.

One of the defining diplomatic issues was the problem of treaties using opaque, complex and ambiguous provisions that offered and opened a state to peruse and secure its self-interest while failing to fully secure a long term peace. Opacity tends to render accusations of violation challenging to sustain and offer what can be deemed as wiggle room when a conflict over the provisions of a treaty arise. The British often used this “wiggle room” to try and bypass restrictions on trading in the Spanish held West Indies. After each successive war, the Spanish attempted to clarify language and privileges granted by them to the British, often with little success, thus again igniting conflicts over issues of trade. However, frequent changes in the Spanish government often prevent Spain from deploying and presenting a consistent policy on how to deal with Britain, furthermore, Spanish diplomats often failed to promote Spanish economic and trade policy. The only consistency seemed to be that of keeping the British out of the West Indies and trying to retake Gibraltar and Italy. Alberoni was only interested in currying favor with the Queen and perusing her ambitions. Patino was more effective as he brought

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259 Carmona, S. *Accounting and International Relations: Britain, Spain and the Asiento Treaty*, 256.
reforms and was a deft politician able to focus on both the royal desires and those of Spain, however he passed away before effective reforms could take place. If Spain would have recognized that opening trade would allow for then legal British goods to enter into their ports, that those goods could be taxed or have duties laid upon them. By adhering to protectionism, they lost more than they could have gain through open trade The British, for their part, found relative stability in the leadership of their government after 1721. Britain used this edge in diplomacy to build diplomatic relationships in the courts of Spain, and the rest of Europe. However, Walpole often found that powerful commercial interests often fought against his passivity and diplomatic pushes for peace.

It should be understood that illegal British trade often prevented standard diplomatic measures to correct and create a better system of trade. British diplomats were met with hostility over their inability to stop their merchants from hurting the tightly controlled trading monopoly in the region. The British government turned a blind eye to these activities, and the Spanish tried everything in their power to stop them, which escalated the issue. Eventually, in an overly aggressive attempt to stop British smuggling, the Spanish instituted a system of searching and seizing vessels in the region, which infuriated the British merchants.

The expansion and overuse of depredations against British sailors forced the otherwise peaceful Walpole into a war he never wanted. Walpole tried to sue for peace up to the very end, but the voice of the people, the powerful South Seas Company unwillingness to comply with the demands of the Spanish crown and the Ministers in Parliament pushed him into war. Peaceful diplomacy failed because of British illegal trading in the West Indies, and the only way Britain ever saw success in gaining access to Spanish trade in the West Indies in the first place was through gunboat diplomacy. However, gunboat diplomacy ultimately failed to expand trading
access; instead it often only reaffirmed previously negotiated settlements and terms, as noted in virtually every treaty of the era. Lastly, gunboat diplomacy was more harmful to trade when implemented, as war opened privateering and seizure of legitimate trade vessels. Pamphleteers and ministers often thought the privateering would offset the cost of war, but it never lived up to that promise. Instead, the Asiento contract was interrupted, and the South Seas Company was restricted from trading legally in the region during open hostilities. War simply fueled the illegal traders and contrabandist, and that damaged diplomatic hopes going forward.

Throughout 1712-1742 British ambitions were focused upon expanding its trading access and colonial empire, not wholly upon maintaining continental power balance. As noted, peace with France had allowed for Britain to focus upon empire building and expansionism. While Britain would intervene in continental matters, such as in the event of a potential Austria-Spanish alliance that could have shifted the power balance in Europe, it often did so to secure British economic expansion and interests. For this reason, Britain sought to stop the alliance as they feared that Spain was open to giving Vienna access to Spain’s overseas commercial markets, with trading concessions more significant and favorable than that of Britain.
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