Western Europe and the Atlantic Economy in the eighteenth Century*

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By 1700 all of the principal powers of western Europe - Spain, Portugal, France, the Dutch Republic and England - had some stake in other parts of the Atlantic basin: Portugal in Brazil; Spain in Florida, Mexico and Cuba; France in Quebec, Louisiana and the Caribbean; the United Provinces in St Martin, St Eustatius, Curacao and Surinam and the English on the mainland of north America and the Caribbean while the Portuguese, the French, the Danes, the Dutch, the Brandenburgers and the English had forts and settlements in west Africa and the Portuguese had a string of islands including Madeira, the Azores and the Canaries. By the beginning of the eighteenth century the Atlantic was criss-crossed by trade routes and capital and skills as well as commodities helped to link together the various areas washed by the Atlantic Ocean. By and large at the beginning of the eighteenth century the initiative and direction of the Atlantic economy came from Europe but in the course of that century, notably on the mainland of north America and in the Caribbean, communities were developing which became eager for economie and political independence of the European nations which had founded and fostered them. And in order to run their economie affairs better they also sought to establish separate patterns of trade and exploitation of resources. Yet the Atlantic economy was not a closed system. The countries of western Europe had relations with other parts of Europe, with other parts of Africa, with India and the Far East and her explorers brought the Antipodes and the Pacific islands within the ambit of European consciousness in this century.

I

The initial economic reasons for European interest in the wider world were two-fold: a desire for precious metals and a search for a wider range of commodities, especially spices. The New World had come into prominence in the sixteenth century largely as a source of precious metals, of gold and silver, and this phase of Atlantic experience has received considerable attention. Less studied has been the period from the 1680s when there was an impressive rise of gold production in

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Brazil and a revival of silver production in Spanish America. Throughout the first fifty years of the eighteenth century an average of 10,000 kilograms (350,000 ozs) of gold - though with considerable year-to-year variations - came from Brazil in the official shipments to Portugal, an output not much less in value than the Mexican and Peruvian bullion production of the later sixteenth century. In Mexico silver production recovered after 1660, passed its previous peak in 1690 and then doubled its level of production again by 1770. Spanish America seemed once again to have become an inexhaustible source of world silver production. Of the 2.5 million ozs produced in Spanish America between 1721 and 1800, 1.5 million ozs came from Mexico. Most of the precious metals were shipped directly from the Americas to Spain and Portugal. In the case of Portugal, the leakage of Brazilian gold to other parts of America or to other European countries, except by way of trade from Portugal, was small. But Mexican silver seems to have flowed in large amounts to other destinations, by way of trade either through non-Spanish colonies in the Caribbean or north America and thence to Europe or to Manila and China while some leaked along the route from Buenos Ayres and southern Brazil to Portugal[1].

Then there was the trade in commodities. At this time when differences in levels of technology were relatively small, the main scope for the growth of trade came from the geographical division of labour based on climatic differences and on varying factor endowments. Within Europe the main scope for trade depended on such factors: the fish of the seaboard countries, the furs and timber of the Baltic, the semi-tropical products of the Mediterranean and so on. But the discoveries greatly widened the opportunities for trade between differently endowed territories.

While some of the early hopes may well have been that the westward voyages would enable the wealth of the Indies to be tapped, there soon came a realisation that apart from the bullion of central America, the New World was differently endowed and there were no spices, silks or cottons to be won. In the north the Newfoundland fisheries early came to be exploited and in the eighteenth century French, English and colonial American vessels carried the 'beef of the sea' to southern European markets. And while the fishery remained prosperous, the colonization of Newfoundland was delayed. Linked with the fishery, the fur trade developed and the beaver provided Europe with warm fur hats for two centuries from the late sixteenth to the late eighteenth. Amongst the reciprocal benefits enjoyed by the Indians, who acted as middlemen as the demand pushed the trade further west, was English rum.

But it was the tropical and semi-tropical products which gave the trading relationship between Europe and the New World momentum. When tobacco was first brought to England in the early seventeenth century, the 'hellish, devilish and

1. This discussion draws on an unpublished paper by my colleague, Dr Harold E. S. Fisher, 'Precious Metal Production in the New World and the European Economy, 1650-1800'.

damned weed' was denounced by monarchs and moralists alike as 'outlandish, offensive to God and subversive of the established order of society'. Nonetheless consumption mounted. In the early eighteenth century supply ran ahead of demand and the price fell, bringing tobacco within the reach of a wider section of European society. And so the habit spread. By 1773 the tobacco pipe earned the praise of Samuel Johnson, a non-smoker, as 'a thing which requires little exertion and yet preserves the mind from total vacuity'. With tentacles stretching from Glasgow and London, Bristol and Amsterdam far into Europe, the tobacco trade provided the basis for the economic development of the Chesapeake in the eighteenth century. Further south, in the Carolinas and Georgia, a European market was won for another staple, rice, which was supplemented in the course of the eighteenth century by the cultivation of indigo, one of the vegetable dyes needed by the European textile industry.

Of the tropical products the most important was sugar which Adam Smith held to be more profitable than 'any other cultivation that is known either in Europe or America'. As tastes changed - tea and coffee became more widespread drinks and Europe acquired a sweet tooth - sugar won an increasing market in Europe. Not only England but France, Denmark, Spain and the United Provinces valued their Caribbean possessions as a source primarily of sugar but also of cotton and dyestulfs as well. So important did sugar become that at the end of the Seven Years War in 1763 when England was dicussing what further territory to acquire from her beaten enemy, France, the alternative of Guadeloupe, a sugar island, and Quebec was solemnly debated.

At first supplied from the East, coffee gained in popularity in the course of the eighteenth century. By 1782 Le Grand d'Aussy reported that the 'consumption of coffee has tripled in France: there is no bourgeois household where you are not offered coffee; no shopkeeper, no cook, no chambermaid who does not breakfast on coffee with milk in the morning'. And so to cater for this soaring demand, coffee was planted in Cayenne in 1722, in Martinique a few years later, in Jamaica in 1730 and in San Domingo in the foliowing year. Production grew rapidly and by 1789 40 million pounds of coffee was being produced in San Domingo alone. From the East coffee had been brought to the New World to meet the needs of Europe[2].

As well as the trade in raw materials and foodstuffs, there were more permanent transfers of plants and animals. The gradient of exchange was rather from Europe to the Americas or by European agencies to the Americas. So horses, mules and oxen were taken to the New World to provide transport; corn and rice were sent

2. For changing patterns of consumption, see Fernand Braudel, *Capitalism and Material Life, 1400-1800* (Weidenfeld & Nicolson, 1973) and Walter E. Minchinton, 'Patterns and Structure of Demand, 1500-1750' in Carlo M. Cipolla, ed., *Fontana Economic History of Europe,* II, *The Sixteenth and Seventeenth Centuries* (Glasgow: Collins, 1974) 83-170.

from Europe to augment the food supplies; the cultivation of coffee and of indigo was encouraged. In return Europe gained beans, maize, tomatoes, the potato, the turkey and quinine. Introduced in the seventeenth century, the potato spread slowly to become a low-cost nutritious food in Ireland, in the Netherlands, in Germany and in France where it had a local circulation on the eve of the revolution. And it was turkeys, wrote a Frenchman in 1779, 'which in some way caused the geese to disappear from our tables, on which they formerly held a place of honour'.

The successive emergence of staple after staple made the Atlantic basin the sphere of an unparalleled commercial empire. And in the English case it led to the Americanisation of foreign trade. Already in train after 1660, this process quickened in the eighteenth century as England found expanding markets for her manufactured goods not in Europe but across the Atlantic. The West Indies became the major market for wrought iron, wrought copper and from 1745 for glass and earthenware while the colonies of the north American mainland became the major market for iron nails, cordage, Irish linen and worsteds and from the 1760s for printed cottons and linens. From just under 10 per cent in the early eighteenth century, the English colonies in the New World increased their share of growing English exports to almost a quarter by the 1760s. Nor was the benefit of this expansion enjoyed by England alone. The growth of the English market in America provided a major stimulus, for example, for the Silesian linen industry. Other European countries with possessions in the New World likewise supplied them with textiles, metalware, timber products and other manufactured goods. Some foodstuffs were also sent to west Africa for the sustenance of the slaves and to the West Indies. Since the sugar cane left little room for the cultivation of food crops, food had to be brought from elsewhere. 'To feed a colony in America', remarked Abbé Raynal, 'it is necessary to cultivate a province in Europe'.

But trading relationships were not entirely confined to the Atlantic basin. Amongst the trade goods used to purchase slaves on the west African coast were cotton fabrics brought from the East Indies while other Asiatic products such as tea found a market amongst the settlers of European origin in the Americas. On the other hand the bullion imported from central America enabled an adverse balance of payments on commercial account to be sustained with the Far East while the sale of Newfoundland cod to Mediterranean countries helped England to acquire silk, citrus fruit, wine, oil and soap. Further, transfers between other parts of the Atlantic basin facilitated trade. So foodstuffs, timber and fish were sent from New England to the West Indies and rum was received in return.

The growing volume of Atlantic trade and its changing pattern were not without influence in Europe. From the 1680s increased supplies of West Indian sugar relieved England of dependence on Portuguese sugar, wine taking its place in the pattern of Anglo-Portuguese trade. Then, as the seaways became safer and larger ships were employed, a greater amount of direct trade developed. As German merchants imported sugar, indigo and coffee direct from Nantes and Bordeaux instead of through Amsterdam, the latter port declined as an entrepot. While some trades were bilateral and took the form of the direct exchange of goods between the European country and the non-European territory, other commodities were distributed to their final destinations through a European entrepot and a chain of merchants. Of major importance in such a role were London and Amsterdam but Glasgow was of European significance as far as the tobacco trade was concerned and particularly that of France. Other trades were more roundabout, being triangular, quadrilateral or even more multi-sided in character. Thus, to take one example, to a considerable degree in the first half of the eighteenth century, the sugar trade from the Caribbean formed part of a triangular trade. Then some English goods were sent to the Carolinas and exchanged for rice which was brought back not to England but to Rotterdam or Hamburg from which the vessel might then go on in ballast, as so many English vessels did, through the Sound to Stockholm to bring back supplies of Swedish iron, timber and naval stores - tar, pitch and rope.

After the trade in bullion and commodities, there was the movement of people both free and forced to other parts of the Atlantic basin. Comparatively few went to west Africa for, as in Asia, Europeans were able to take advantage of the organised political and economic structure of a well-populated region. So Europeans only went to man the trade forts and castles and to act as agents for the European vessels which traded with the African coast. But the situation across the Atlantic in the Americas was quite different. Although in some areas, as in Mexico, there was a sizeable population which was exploited by the Spanish, elsewhere there was a relative abundance of land and a relative scarcity of people. To remedy this situation and to enable economic growth to take place, Europeans were involved either directly or indirectly in a massive redistribution of labour. Some, a comparatively small number, went voluntarily since 'westward the land looked bright'. But many more were forced migrants under economic, political or religious pressures, as criminals transported from Europe or as slaves carried from west Africa.

Already in the sixteenth and seventeenth centuries there had been some settlement by Europeans and the beginnings of the African slave trade but the volume of migration grew in the eighteenth century. In north America there was some French settlement of Quebec and Louisiana and some Spanish in Florida. In the British colonies there was a small but steady flow of all kinds of people - merchants, professional men, artisans and labourers - who went freely to America, some as indentured servants. But the American colonies continued to be used as a dumping ground for undesirables. It has been estimated that Britain sent at least 30,000 criminals to America and the West Indies during the eighteenth century, mostly to Maryland and Virginia. But the four-fold increase of the population of the English colonies between 1700 and 1776 was explained less by these arrivals than by the growth of non-English migration. Most numerous were perhaps the Scotch-Irish, about 250,000 of whom probably went to America in the half century before the Revolution. Economie discontent added waves of Irish immigrants to their number while Scots went in small numbers after the union with England in 1707 and in larger numbers, particularly from the Highlands, after 1763. More numerous were the Germans from both German states and the German part of Switzerland who migrated for religious and economic reasons, settling particularly in Pennsylvania, North Carolina and Georgia. In 1708-1709 there was the deliberate despatch of refugees from the Rhenish Palatinate principally to New York. From the 1720s the passage of some was expedited by Dutch merchants and ship owners who each spring sent out agents, popularly known as 'newlanders' - as well as by less flattering names - to recruit cargoes of immigrants in German towns and villages and to transport them down the Rhine to Rotterdam and Amsterdam for embarkation to America. This flood of central European migration was checked by the outbreak of war in 1739 and not renewed on any scale until the end of the Seven Years War in 1763. While most of the French Huguenots went to the English colonies immediately after the Revocation of the Edict of Nantes in 1685, small groups continued to go throughout the colonial period. Sephardic Jews who mostly came via Holland, the Dutch colonies and England, also settled in America[3].

By and large, the peopling of the West Indies by English and French as well as by Dutch had taken place in the seventeenth century. Net European migration into the non-Spanish Caribbean was very small in the eighteenth century since migrants were commonly transients who had no intention of spending a lifetime in any colony. But the gold rush in the Minas Gerais led to heavy migration from Portugal of between 5,000 and 8,000 a year. By comparison, emigration from Spain to Mexico and Cuba was limited, amounting to perhaps 500 a year or 50,000 for the eighteenth century, most of whom were servants or unskilled workers.

But European countries were ambivalent about migration to the New World. They were willing to send convicts, political or religious dissidents or the idle poor, to export their problem citizens, but on the whole the migration of able, skilled workers was less welcome. Emigration of those inhabitants who, in Gregory King's phrase, diminished the wealth of the kingdom, was regarded as beneficial while emigration of those who added to the wealth of the realm was frowned upon. Consequently, attempts to discourage such migration were made or mooted, for example, in Portugal and England.

Compared with the massive and systematic slave trade by which millions of west Africans were carried across the Atlantic to remedy the chronic labour shortage

3. See Maldwyn A. Jones, *American Immigration* (Chicago: University of Chicago Press, 1960).

in the Americas, the European migration was a trickle. According to recent estimates, over 6 million Africans were forcibly carried from one shore of the Atlantic to the other in the eighteenth century, a movement which gained momentum as the century progressed: 850,000 in the first 20 years, over 900,000 between 1721 and 1740, nearly 1.2 million in the following two decades, 1.3 million between l761 and 1780 and over 1.75 million in the last 20 years of the century. In this massive movement the English played the largest part, accounting for a total of about 2.5 million slaves carried principally to the British West Indies and the mainland colonies of north America. Not far behind were the Portuguese who were responsible for just over 2 million. Running third were the French who carried about 1 million slaves across the Atlantic. Besides the three main suppliers there were two other participants, both of whom became of some significance in the later eighteenth century. The first was Spain which entered the direct trade to some extent after 1750 and then, after the American Revolution, north American shipping became increasingly important. Finally, there were the minor carriers in the trade, the Brandenburgers, the Dutch and the Danes, who, though active throughout the century, were responsible for only a small number of slaves. For the period 1761-1810, together they carried only about 12 per cent of the total slave trade, with the Dutch responsible for about 10 per cent[4].

Since individual European nations had established slave trading posts or bases on different parts of the African coast, sources of supply obviously varied. While the predominant share of Portuguese slave shipments came from central and south-east Africa (1.4 million out of 2 million) and only a relatively small proportion (611,000) from west Africa, most of the English and French slaves were taken from west Africa and only a small proportion from central and south-east Africa. In the case of England, the figures are 2 million and 457,000 and in the case of France, which dropped out of the trade after 1792, the figures are 613,000 and 356,000 respectively. But there was also a shift over time between the two main areas of supply. Early in the century the greater part of the slaves came from west Africa whereas the last burst of the later eighteenth-century slave trade came almost entirely from central and south-eastern Africa. After an earlier phase of importance in the seventeenth century, Mozambique also became a significant source of supply of slaves for the Atlantic slave trade in the 1780s.

As destinations there were two major areas - the Caribbean and Brazil - and two minor areas - Spanish America and the plantation colonies of the north American mainland. Just over half of the slaves were carried to the Caribbean: 23 per cent to the British West Indian islands, 22 per cent to the French possessions - mostly to the French West Indies but a small number to Louisiana and French Guiana -

4. See Philip Curtin, *The Atlantic Slave Trade: a Census* (Madison (Wisc): University of Wisconsin Press, 1969).

almost half a million or 7.6 per cent to the Dutch Caribbean and a small number - 24,000 - to the Danish Caribbean. The other major area was Brazil which received almost one-third of the total - nearly 2 million with over 600,000 imported in the last 20 years of the eighteenth century. Of the minor areas, Spanish America took almost 10 per cent or just over half a million and, perhaps surprisingly in view of the present-day position, under 6 per cent or just about 350,000 went to the British mainland plantation colonies. Since the English slave traders carried more slaves across the Atlantic than found a market in the British possessions in the New World, they were able to meet the needs of some French plantation owners since the French exporters only transported about 62 per cent of estimated French requirements. Other supplies came from the Dutch, the Danes and, after 1783, from the Americans.

By comparison, the eastward movement was extremely small. A few Indians and Africans were brought to Europe, more as curiosities than anything else. For the rest the eastward migration consisted of returning merchants, planters or professional men who had only gone across the Atlantic for a short period or American residents who came to Europe on business trips, to see their families or to escort their children sent back to Europe to be educated.

As some counterbalance to the inflow of bullion from the New World to Europe there was capital investment by Europeans in the colonies. European merchants invested in stocks of goods which were accumulated in warehouses and then carried in ships to overseas destinations; or they purchased goods abroad, paying cash for them and getting their return from subsequent sales in Europe weeks or months later. The rise to dominance of Glasgow in the Chesapeake tobacco trade was the consequence of the establishment of Scottish factors in Virginia who were willing to pay immediately for the tobacco they bought, thus replacing the consignment system which had previously operated by which the Virginia tobacco planter shipped his tobacco to England to an English merchant who sold the produce on behalf of his American client and charged a commission for his services.

With the growth of Atlantic trade in the eighteenth century, the capital demands of trade grew. Instead of merchants being largely concerned with the movement of goods within Europe, a growing proportion of their business was carried on in the Atlantic basin. From Surinam to Amsterdam, from Vera Cruz to Seville, from Bahia to Lisbon, from the Chesapeake to London, from Guadeloupe to Nantes involved longer voyages and therefore a more extended period of investment than European trades. Goods spent more time in the holds of ships and in warehouses. The increased burden of holding stocks of the goods where ships came regularlynotevery week but once a year was borne by the European merchant.

From the finance of trade, European merchants were drawn on to extending credit to overseas suppliers and to providing European goods before the colonial commodities became available. Of this, the experience of the English north American colonies provides a particular example. On the advances of the English merchant was built a chain of credit which ran from the seaboard through the back-country to the frontier of settlement. So the English merchant in fact provided the working capital for merchants and shopkeepers throughout the American colonies. Right at the end of the colonial period, Adam Smith wrote that:

> The greater part both of the exportation and coasting trade of America, is carried on by the capitals of merchants who reside in Great Britain. Even the stores and warehouses from which the goods are retailed in some provinces, particularly in Virginia and Maryland, belong many of them to merchants who reside in the mother country, and afford one of the few instances of the retail trade of a society being carried on by the capitals of those who are not resident members of it[5].

On the basis of the credit afforded by English merchants, business men in the colonies were then able to erect a colonial-based credit structure.

A further effect of the changing character of capital requirements as the result of the growth of Atlantic trade was on credit terms. Since transactions in internal European trade could be completed in a reasonably brief period, credit terms could be comparatively short. But in recognition of the lengthening of the trade routes, credit terms had to be extended and funds advanced not for 1, 2 or 3 months but for 6, 9 or 12 months.

Then there were the investment demands of the Atlantic economy. Whereas small ships could adequately shuttle to and fro along the seaboard of western Europe or across the North Sea, larger vessels costing more per ton to build were required for transatlantic voyages. And because the voyage times were much longer than the European routes, more vessels were needed. Further, because some of the trades were in primary products, whose harvest occurred, like rice or tobacco or sugar, but once a year, the employment of vessels was much less regular. There was a peak at harvest time and demand was slack for the rest of the year. Though some vessels might be employed in two transatlantic voyages a year, most were only able to achieve a single return voyage. And vessels in the slave trade often found it difficult to complete the three legs of the triangular voyage within twelve months. Moreover, to obtain cargoes, vessels often spent a long time in port. So the utilisation factor fell. To meet the demand for ships, the Atlantic trade therefore led to an expansion of shipbuilding in Europe. But European resources proved insufficient and so a stimulus was provided for shipbuilding in the English American colonies; so much so that by the American Revolution it was estimated that one-third of the British mercantile marine was colonial-built.

5. *An Inquiry into the Nature and Causes of the Wealth of Nations,* Edwin Cannan ed. (2 vols., Methuen, University paperbacks, 1961) I, 388.

Costs of operation were reduced less by improvements in ship design, however, than by a reduction in armament. This took place during peacetime in the eighteenth century because of a growing acceptance of an international rule of law at sea, backed by an expansion of navies. A smaller number of guns meant in turn that smaller crews were required[6]. In addition, there was one technological change - copper-sheathing - which received a stimulus from the need to protect shipping plying in tropical waters from the ravages of the teredo worm[7].

But while the capital demands of overseas trade and shipowning undoubtedly grew, they remained manageable. Although the joint-stock enterprise - the English East India Company or the Dutch East India Company - remained characteristic of trade with the Far East, the trading company tended, except in special circumstances, to disappear from the organisation of Atlantic trade by the early eighteenth century. The Dutch 'Commercie Compagnie' of Middelburg remained active in the slave trade, the Dutch West India Company continued to operate, for Spain there was the Caracas Company, while the English Hudson's Bay Company - still in existence - operated almost unchallenged in the north of Canada. On the other hand, the English Royal African Company, deprived of its monopoly in 1698, virtually ceased trading after 1720. It was the single merchant or the partnership which came to dominate Atlantic seaborne trade.

For its continuance and development, multilateral international trade required the existence of means of payment. In some cases, persistent adverse trade balances were settled by the movement of bullion as between Portugal and England. For many transactions, however, the bill of exchange was employed. The cycle of English and French transatlantic trade depended on the ability of North American traders to draw bills on London or Paris on the surpluses earned there by West Indian planters. The wider network of finance and credit also provided a stimulus to the development and adoption of appropriate accounting methods which, like the employment of the bill of exchange, became subject to the rule of law. And the surplus facilitated the development of banking, though the role of banks in the finance of trade and industry remained modest in the later eighteenth century. To limit the risks of trade, greater resort was had to marine insurance.

European investment took place in a variety of projects. In the developing phase of the slave trade forts and castles were built along the west African coast by joint-stock companies or directly financed by governments. European capital was also employed in the establishment of sugar, rice, tobacco and coffee plantations. By

6. See James F. Shepherd and Gary M. Walton, *Shipping, Maritime Trade and the Economic Development of Colonial North America* (London: Cambridge University Press, 1970) 75-77, 196-197.
7. See Gareth Rees, 'Copper Sheathing: an Example of Technological Diffusion in the English Merchant Fleet', *Journal of Transport History,* I (1971-1972) 85-94.

1789, for example, Nantes merchants had invested 50 million francs in the West Indies. In Virginia and other English colonies, English finance furthered iron manufacture. While credit instruments had been developed, apart from the joint-stock company and the 'compagnie en commandite', there was as yet *no* development of an impersonal form for investment in plantation agriculture. Finance therefore remained on a personal basis, the loan or the mortgage providing the planter with the funds which today would be met by the issuance of shares on the stock market. On a plantation, capital was required for two purposes. First, because the operation of the plantation required a flow of funds throughout the year whereas the return from the plantation by the sale of its products was received only once a year, a planter required funds for his day-to-day operations. And then he needed capital for his plant, for his buildings, presses and so on. A planter's debts to his merchant were therefore his capital. Most of the funds were raised in the metropolitan country but on occasion funds were obtained from elsewhere. Thus after the hurricane of 1773 Dutch capital went not only to St Croix but also to the English West Indian islands of Tobago and Barbados. In each case a London house guaranteed the capital and interest and a Dutch house the interest. The experience of Dutch investors in accustoming themselves first to mortgages in Surinam and other Dutch colonies and then in lending to foreign colonies prepared the way for large transfers of Dutch capital to the United States after 1783[8].

II

Such then were four aspects - bullion movements, commodity trade, migration and investment - of the involvement of Europe with the Atlantic economy. How did such influences affect Europe?

The European consequences of the expansion of American production of precious metals was most immediately feit by Spain and Portugal which as a result were able to mainrain for long periods in the century after 1690 substantial visible deficits in their trade with other European countries. Such substantial and sustained bullion shipments aided the development of west European trade with 'hard currency' areas such as the Baltic and were essential for the continued growth of European trade with the East[9].

The second effect of American bullion imports was on the money supply and the structure of credit and finance. At present it is not known with any precision how far domestic economic relations in Europe were monetised by 1700 and what changes took place in the course of the following hundred years. Some evidence is avail-

8. See Charles H. Wilson, *Anglo-Dutch Commerce and Finance in the eighteenth Century* (London: Cambridge University Press, 1941; reprinted 1966) 182-186.
9. This section is based on Fisher, 'Precious metal production'.

able for England where Portuguese gold coins minted in Brazil and Portugal circulated widely in the first half of the eighteenth century. In 1742 the single, double and quadruple moedas were called 'in great measure the current coin of the kingdom' and Portuguese gold contributed greatly to the expanding national coinage of guineas. In 1701 it was estimated that gold coin circulating in England (including foreign coin) amounted to £9.5 million while by 1773 the circulation of English guineas alone had risen to £22 million. American bullion also provided the basis for the expansion of credit facilities in Europe by the greater use of bonds, bills of exchange, bank notes and government securities.

Then, the influx of American gold and silver may have affected European price levels. But to what extent is not clear, since the upward turn in prices after the price plateau of the mid-seventeenth century varied from as early as the third quarter of the seventeenth century in some German states to the middle of the eighteenth century in England and the Dutch Republic. Moreover, the two countries where prices began to move upward latest, England and the United Provinces, were probably among the first to receive expanding imports of American bullion to provide net additions to their money supplies.

There were also other wider-ranging consequences of the increased inflow of American bullion in the eighteenth century. The governments of Spain and Portugal were able to follow a different fiscal policy from those of other European countries because they were able to benefit from taxes on mining and on activities related to mining. More generally, the availability of gold and silver had diplomatic and military consequences since it facilitated governmental spending abroad by making the settlement of government debts overseas easier. English diplomatic and military involvement in continental European affairs in the eighteenth century was facilitated because the English government had ready access to such means of expenditure and subsidy overseas.

What then of trade? Writing two hundred years ago, Adam Smith argued that economic growth was limited by the extent of the market, that production depended on demand. Subsequent writers have emphasised that 'the command of a wide market is essential to the organisation of large-scale industry'. A market can be increased in size either by population growth within an area or by a geographical extension of the market area. Gradually in the later eighteenth century Europe appears to have entered into the first stages of the vital revolution which only in our time has slackened in pace. But population growth has continued to be cumulative and so total European population has grown. On the other side of the Atlantic, the rate of population growth in the English mainland colonies was higher than in Europe. So there was some addition to the aggregate demand for European products as the result of the development of the Atlantic economy. But effective demand also depends on the level of income. Today the most active exchange of goods takes place between the developed countries with their greater purchasing power. While undoubtedly English manufactured exports to the West Indies grew as a reciprocal of imports from the West Indies, the growing wealth of the American mainland colónies provided an increased market for English manufactures. The Atlantic demand contributed to the expansion of overseas demand for English products and so furthered English industrialisation. Of all European countries, England was fortunate in possessing a sizeable Atlantic empire which provided a market for the products of her industries. But the great foreign potential, nevertheless, was in Europe with its population of 200 million and so towards the end of the eighteenth century England's cotton and metal industries were poised ready to invade that market and to make England for a time the workshop of the world. England was aided in this development by possessing at home the largest European free trade area - larger than the Dutch Republic, not divided as France or Germany by customs barriers. England was not bedevilled by those internal barriers which frustrated trade on the continent.

Within Europe the growth of Atlantic trade led to the rise of the western ports. In France it meant the growth of the ports of the Atlantic seaboard, of Bordeaux, Nantes, La Rochelle and St Malo, while in Britain it gave some advantage to Bristol, Liverpool and Glasgow which grew significantly in importance in the eighteenth century through their involvement in the sugar, slave and tobacco trades. Smal ports like Dartmouth, Poole, Barnstaple, Lancaster and Whitehaven, benefitted too. With growth in trade came improvement in facilities. Quays were extended, more unloading gear such as cranes was provided, additional warehouses to store imports and exports were required and the growth in number and size of ships led to plans for constructing wet docks where large vessels could lie afloat at all stages of the tide instead of settling on the harbour bed twice daily. Such docks also provided improved facilities for the repair of vessels.

Since Atlantic commerce relied heavily on the harvests of primary products which naturally varied from year to year and were not easily capable of adjustment, involvement in such trades brought with it vulnerability to trade fluctuations. There were brief periods of boom and periods of depression which were sometimes sharp and sometimes more prolonged.

Though the increase in the volume of trade was considerable, its economic effect should not be exaggerated for three reasons. First, a considerable amount of the products imported from the New World went to augmenting consumption rather than production. Sugar, tobacco, rice and coffee together with fish and furs dominated imports and the industrial raw materials, apart from cotton whose volume grew markedly in the later eighteenth century, were limited to dyestuffs such as braziletto, nicaragua wood, logwood and indigo, some naval stores - pitch, pine and spars - and some iron. Then, a substantial volume of these imports became re-exports from the major west European entrepöts such as Amsterdam, London, Nantes, Bordeaux and Lisbon, being sent on their way without developing much in the way of an industriai base at the ports at which they were transhipped. And thirdly, even when some industriai development took place in the west European port, an enclave effect rather than a multiplier effect resulted. The growth of tobacco processing in Glasgow led to an enrichment of this Scottish port, provided for its growth and enabled it to foster the Scottish renaissance of the eighteenth century. But the tobacco trade was largely an entrepot trade and little of the wealth acquired by the Glasgow tobacco merchants was reinvested in other industriai and commercial enterprises but went rather to improving their living conditions, to conspicuous consumption and to the purchase of landed estates. In the same way industrial development in Nantes stimulated by its involvement in the slave trade failed to spill over into the French economy at large. Similarly in Denmark it has been argued that while sugar imports were of considerable importance for the trade of Copenhagen and the sugar trade made a substantial contribution to the Danish balance of payments, the Copenhagen sugar industry, employing few workers, had little importance for the Danish national economy as a whole. And as elsewhere in western Europe, Danish sugar merchants were not fully acquisitive but invested their profits in landed estates.

Thirdly, emigration. In the eighteenth century the number of emigrants from Europe was comparatively small. Moreover, at a time when the Malthusian checks of famine, plague and war still indiscriminately operated, it is not easy to argue that European economic development suffered by the migration of the able-bodied, energetic, skilied persons. The export of the criminal classes and of political and religious dissidents was another matter. The experience of Georgia showed that the English idle poor did not suffer a sea change in crossing the Atlantic. They proved as unregenerate and idle across the Atlantic as they had been in England. Nor was discontent with the established order noticeably diminished by emigration to America while the successful example of the American Revolution may well have encouraged dissidents in Europe and facilitated the French Revolution as it did the liberation movements in Latin America shortly afterwards. Nor were the voices of religious dissent stilled by such movement across the Atlantic. More positively, it is undoubtedly the case that without Europeans the economic development of the New World would not have taken place when it did and at the pace it did. And the expansion of population across the Atlantic provided both a growing supply of tropical and semi-tropical products and an expanding market for European goods.

If more capital was drawn into international trade in the eighteenth century, not all the profits were ploughed back into commerce. In the Dutch Republic, which seems to have been a special case, because of the shortage of land, there was a continuity of merchant houses not common elsewhere - though even in Holland there seems to have been a shift from direct involvement in trade to a less direct financial involvement in government stocks. Outside the Dutch Republic, rich English, French or Spanish merchants who made their fortunes in trade kept only a small proportion of their funds in their businesses and employed the remainder in lending or investing in land. They did not invest in industry or shipping except to advance their trade. There were more Fonthills - large country houses - than factories.

There is therefore little reason to accept the argument that it was on the profits of the Atlantic slave trade and plantation slavery that the English industrial revolution was built. Recent work has shown how limited were the profits of the British slave trade and the slave trades of other European countries seem to have been even less profitable than the British. The importance of the slave trade to Europe and the Americas lay not in its profitability - for that has certainly been exaggerated - but in its indispensability for the economy of Brazil, the Caribbean and the Southern plantation colonies. Without slaves, the Caribbean must have remained largely undeveloped. The Caribbean provided sugar, cotton and dyewoods for consumption in Europe and also in America which in turn found markets there for food surpluses which could not be marketed in Europe. In so doing, the Caribbean helped to power the mechanism of international trade and settlements.

III

Finally, what influence did the Atlantic basin have on economic life in western Europe? In dealing with this question we are faced with at least two problems. First, it is clear - and in the English case there has been considerable discussion of this point - that one important element in economic growth consisted of internal changes within the particular economy concerned. And then the pattern of growth varied considerably between the individual countries. The eighteenth century saw the decline of Spain, the relative decline of France and the Dutch Republic, stagnation in Portugal and undoubted development in England to make it the first industrial nation. How then did the Atlantic impinge on the economies of western Europe?

Already before 1700 Spain had entered into a decline. Its population was stagnant and its foreign commerce had come largely into the hands of foreign merchants, English and Dutch. Though cotton manufacturing developed from the 1730s, Spain received little permanent benefit from the possession of an empire across the Atlantic. The Spanish commercial and industrial communities failed to provide the Indies market with the manufactures in demand there as they failed to exploit the Indies as a source of tropical commodities for sale in Europe since the flow of Mexican silver enabled them to purchase both European manufactures and Atlantic primary products seemingly without effort. So Seville never came to rival London or Amsterdam as an entrepot or as a manufacturing centre.

For Portugal, too, involvement in the Atlantic basin brought only a limited benefit. There were gains before 1770 when, because crown and nobility received colonial revenues, they pressed less heavily on the peasantry in Portugal and a commercial class grew up to handle the products imported from Brazil. But there was little development of an industrial base in Portugal itself. When gold mining passed its peak in the 1760s, Portugal was left a backward underdeveloped country, its industry stunted by long dependence on Brazilian produce and bullion which made it easier to purchase manufactured goods from abroad than to produce them at home.

For France the benefits were more substantial. Until the French Revolution French foreign trade grew faster than the British. Moreover, there were several branches of international trade in which the French secured or maintained a dominant position. They continued to be the main suppliers of manufactured goods to Spain and, through Cadiz, to Spain's American empire. Because of the spectacular progress of sugar and corTee production in San Domingo, they were able to develop a large and fast-growing entrepot trade to northern Europe. And the ' Americanisation' of foreign trade was also noticeable though less marked than in the British case. Although France lost Quebec and other territory as a result of the Seven Years War, French colonial trade (not all of it within the Atlantic basin) grew tenfold between 1716-1720 and 1784-1788, when trade with countries outside Europe amounted to 38 per cent of total trade. Two weaknesses must, however, be noted. First, after 1770 France lost ground in Spain, because of the protectionist policy of Charles III, and in Spanish America and secondly, French trade in the Atlantic was greatly dependent on San Domingo since the French Atlantic empire was less diversified than the British. All the same, commercial expansion was a strategic factor in the growth of industry in France in the eighteenth century.

For the Dutch Republic, the Atlantic colonial base was too small to provide more than a limited stimulus and though it was war and foreign protectionism which was really fatal to the Republic in the later eighteenth century, the weakest point in the Dutch economy was the absence of any large export industry which could form the backbone of a solid export trade and provide a real channel for home investment. As *De Koopman* explained in 1774, the consequence was that the Dutch had become 'so philanthropic that we would rather do good to our neighbours than to ourselves, and, both in home and foreign affairs, have become such lovers of foreigners', the newspaper argued, 'that we overlook the welfare of our own House'. Further, Amsterdam declined as an entrepot with changes in shipping and the patterns of trade.

Finally, for England, the possession of territories across the seas and access to the Spanish and Portuguese possessions, each with a growing population and increasing purchasing power, provided part of the dynamic for the industrial revolution. Even when the north American colonies broke away from Britain they continued to trade with her not only because the commercial connections of trust and confidence stood the test of time but also because, as she industrialised from the 1760s, Britain became the obvious source of supply for cheap industrial products. Undoubtedly, as in the case of France, the home market was also of great consequence, as was trade with Europe. Nonetheless, the British industrial revolution would not have proceeded when it did at the pace it did without the American connection.

In sum therefore, the economic development of the various parts of the Atlantic basin under Spanish, Portuguese, French, Dutch, Danish and English rule in the eighteenth century took widely different courses because different populations, resources and climates were to be found and because the contribution which the various European powers could make to their development varied considerably. There was an Atlantic economy in the eighteenth century but it was not a closed economy and it was subsidiary to the economies of the individual countries which took part in it. In particular, there were common forces sweeping through western Europe at this time, some of them influenced by events within the Atlantic basin. But the effects which resulted from the participation of the various west European countries in transatlantic enterprise were modified by each country's particular natural resources and its political, economie and social structure. The final outcome of these varying influences was a diversity of development. Lastly, it must be emphasised that during the eighteenth century the main influences on European economie development arose from within the European countries themselves. Nevertheless, the maritime countries were powerfully affected by developments in other parts of the Atlantic basin and by their response to such developments.

K. A. Kalkwiek, *Het kasteel in de ontwikkeling van het vorstendom Gelre* (dissertatie Utrecht, 1975, 235 blz., gestencild).

Voor deze Utrechtse dissertatie zijn prof. Hugenholtz, de mediaevist, en dr. J. G. N. Renaud, de kenner van de middeleeuwse kastelen, als copromotoren opgetreden. De auteur was niet geïnteresseerd in de bouwkundige aspecten van de honderden burchten die het Gelderse grondgebied in de middeleeuwen telde, maar in hun eventuele rol bij de uitbouw van de landsheerlijkheid. In Nederland is dit aspect in de historische literatuur nog nauwelijks aan de orde gesteld, wel in Duitsland door onder meer Droege, Theuerkauf en Kunstmann. Het boek begint dan ook met een uitvoerige schildering van de ontwikkeling in het Duitse Rijk, gevolgd door een wat overbodige behandeling van kastelen in Frankrijk en Engeland, die immers in dit opzicht moeilijk vergelijkbaar zijn met het Oost-Nederlandse gewest Gelre. De kastelen daar komen zo pas halfweg het boek ter sprake. De auteur heeft het indrukwekkende aantal van driehonderd kastelen weten te traceren met behulp van de gepubliceerde registers op de leenactenboeken in de diverse kwartieren. Die beleningen dateren echter uit de late middeleeuwen. In het begin van de Gelderse geschiedenis waren er slechts de eigen kastelen Gelder en Wassenberg; in de tweede helft van de twaalfde eeuw kwamen daar diverse bij en dit brengt de auteur tot de niet verrassende conclusie, dat we pas vanaf deze tijd van een systematisch streven naar de landsheerlijkheid door de Gelderse graven mogen spreken. Van 1300-1350 stokte het tempo bij de verwerving van kastelen enigszins en dit wordt terecht in verband gebracht met een zekere uitputting na de Limburgse successie-oorlog en de verpanding aan Vlaanderen en tevens met de behoefte aan interne consolidatie. Overigens behoefden de graven en hertogen in de late middeleeuwen niet alleen op hun eigen kastelen te steunen. Een groot aantal werd hun ook in leen opgedragen, waarbij ze na 1350 doorgaans de concessie bedongen dat deze als open huis zouden gelden, dat wil zeggen in tijd van nood een militaire bezetting van de landsheer moesten innemen en in het algemeen ten dienste moesten staan van diens militaire politiek. In de zestiende eeuw tenslotte heeft Karel van Gelre veel actiever dan één van zijn voorgangers gebruik gemaakt van kastelen ter versterking van zijn gezag.

De originele vraagstelling, de systematische behandeling, waarbij ruim gebruik gemaakt wordt van kaarten om de verkregen resultaten in te tekenen, en de vergelijking met buitenlandse toestanden hebben toch geen indrukwekkende resultaten opgeleverd. In zijn voorwoord deelt de heer Kalkwiek bescheiden mee dat hij allesbehalve een meesterwerk heeft gewrocht. Ik moet hem dit helaas toegeven, maar zou niet direct kunnen zeggen hoe dat komt. Misschien was zijn documentatie wat smal. Hij heeft een aantal ongepubliceerde landsheerlijke rekeningen gebruikt, maar heeft daaruit niet veel meer gewonnen dan de wetenschap dat de hertogen af en toe herstelwerkzaamheden lieten uitvoeren. De kastelen die in leen waren uitgegeven heeft hij vrij gemakkelijk uit de registers op de leenactenboeken kunnen halen, maar daarnaast waren er ook allodiale huizen en hierbij kon hij veel minder volledig zijn. Tenslotte heeft hij nauwelijks een eigen visie op de Gelderse geschiedenis ontwikkeld en vrij klakkeloos de opinies weergegeven die hij her en der in de literatuur vond. Wat moeten we bijvoorbeeld met een zin als op bladzijde 136 dat 'de opkomst van de heren van Gelder geheel moet gezien worden in het kader van de herorganisatie van het Nederrijnse gebied na het terugtrekken van de Noormannen'? Alleen al chronologisch lijkt me dat moeilijk houdbaar. Van Veen heeft beweerd dat de heerlijkheid Borculo oorspronkelijk een leen van de graven van Loon is geweest en nog in 1246 zou een graaf Herman van Loon een deel daarvan, namelijk Bredevoort en onderhorigheden, aan de Gelderse graaf hebben opgedragen. Genoemde graaf Herman is echter