ABSTRACT  This article looks at the attempts made by British governments after the Seven Years War to reduce colonial consumption of continental European manufactures. It begins by sketching the pre-war background, focusing first on the availability of European goods in North America and the Caribbean and then on British debates about foreign commodity penetration of the Atlantic colonies. The next part charts the emergence after 1763 of a political consensus in London on the need to give British goods added advantage in American markets. The article goes on to suggest reasons for the forming of this consensus, and finally considers the success of the measures introduced by British governments to diminish colonial purchases of European products.

One of the great benefits that Britain could expect from its colonies was ‘the Consumption of our Manufactures’. So wrote Thomas Whately, secretary to the treasury in George Grenville’s government of 1763-5. He went on to argue that colonial markets could be secured for British products by actively discouraging foreign competition. Grenville’s ministry is known primarily for its ill-fated efforts to tax America. Grenville’s stamp duties, the most notorious of the new taxes, provoked an enormous uproar in the colonies, which was quietened only by the repeal of the offending legislation. Given that the Stamp Act crisis began the deterioration in imperial relations that ultimately led to war and independence, the concentration on this aspect of the Grenville government’s work is hardly surprising. But
here we focus on its less familiar attempts to reduce colonial purchases of continental
European goods. This paper looks at the measures taken against foreign products, tries to
explain why protecting colonial markets became a new political orthodoxy after the Seven
Years War (1756-63), and assesses the impact of increased discrimination against continental
European commodities. Other scholars have highlighted the greater importance that British
politicians and public attached to empire from 1763.² Interesting work has also been done on
post-war attempts to crack down on smuggling.³ But no-one – to the best of my knowledge –
has looked specifically at the efforts of Grenville and his successors to curb colonial
consumption of European manufactures.

Why should historians care about such a seemingly arcane subject? An examination of
the nature, origins, and success of imperial protectionism in the dozen years after 1763 tells
us very little of importance about the coming of the American Revolution, the dominant
episode of the period in many historical accounts. But it has relevance to a number of other
scholarly concerns relating to eighteenth-century Britain and its empire. As historians
become interested again in mercantilism,⁴ the current study reminds us that, despite signs of a
loosening of the British system of trade regulation – such as the Free Ports Act of 1766 – in
important ways the system became more not less restrictive in the years immediately
preceding Adam Smith’s famous criticisms in the Wealth of Nations.⁵ By investigating the
development of imperial protection we can gain some insights into processes of government
decision making, and the role of lobbying, which historians have sought to illuminate in
recent years.⁶ Such an investigation gives us further cause to regard the Seven Years War, a
conflict that has attracted much attention lately, as an important event in both British and
imperial history.⁷ This study also sheds light on the relationship between Britain’s
involvement with continental Europe and its imperial interests, a subject on which historians
have differed much in the past decade.⁸ And, finally, it suggests that the ready availability of
continental European manufactures in America – even after the introduction of measures to reduce their consumption – qualifies the established picture of the colonies as cultural provinces of Britain.⁹

We begin by looking briefly at colonial consumption of continental European goods prior to 1763. This first section of the paper draws on a variety of testimony, official and unofficial, some of it dating back to the seventeen-forties, to paint a picture of the availability of such goods in North America and the West Indies. The second part examines the pre-Seven Years War debates in Britain about foreign products in colonial markets, and seeks to account for the triumph of the mercantile interests favouring easy access over those who wanted to see greater protection for British manufactures. With this background in place, we can move on to the main part of the paper. In the third section we consider the actions of the Grenville ministry and the emergence of a new political consensus on the need to limit continental European penetration of British colonial markets. The fourth section attempts to explain that consensus. We turn in the fifth section to an assessment of the success of the measures taken to reduce consumption of foreign European goods in North America and the British Caribbean.

The focus throughout is on manufactures and agricultural outputs created in Europe itself. Excluded from consideration are the imperial commodities of the European powers, such as Asian tea and textiles brought to Europe by the Dutch East India Company and then smuggled into British North America and the West Indies, and French Caribbean molasses (semi-refined sugar, used in rum making), which appear to have entered the British colonies in large volumes.¹⁰ Grenville and his successors clearly viewed these products of other empires – or at least their molasses – as distinct from continental European manufactures. While British governments after the Seven Years War sought to use fiscal means to reduce
colonial consumption of European manufactured goods, they did the opposite with foreign molasses, lowering duties to increase legal sales and therefore boost state revenues.

The seventeenth-century Navigation Acts decreed that continental European products destined for English colonial markets should come first through an English port, where they would be charged customs duties. Analyses of the records compiled by the customs service suggest that re-exports comprised twenty-seven per cent of total English exports to America and West Africa in 1751-4. Included in the lists of goods destined for the Atlantic colonies are Mediterranean oils and fruits, Spanish, Portuguese, German, and French wines, and, most importantly, textiles from Italy, the Low Countries, France, Russia, and especially Germany. In the same period, linen re-exports to America were worth an average of about £301,000 a year. But this figure includes at least some Irish linen exported via England; the portion that originated in continental European countries is unclear. A better impression of the scale of colonial importation of continental European linens can perhaps be found in a document in the papers of Horatio Walpole, surveyor and auditor-general of American revenues, which states that in 1753 some 6.8 million yards of foreign linens were re-exported from Britain, mainly to the colonies in North America and the West Indies. To put this figure in perspective, two years earlier, Irish linen exports to British North America and the Caribbean islands added up to a rather less impressive 1.2 million yards; coincidentally, the same quantity as the annual average of Scotland’s total linen exports in 1748-52.

Official sources tell us nothing about illicit commerce, carried on outside the restrictions of the Navigation Acts. A letter in Walpole’s papers refers to the considerable extent of direct trade between continental Europe and the British territories across the Atlantic,
particularly the unauthorized colonial import of goods from Europe; ‘a practice’ that the anonymous author describes as ‘extremely pernicious’. The invoice books of Brand and Schuyler, New York merchants, show that the company imported glassware, linens, and fruits directly from Hamburg in the seventeen-forties and early ’fifties. The same firm engaged in another illegal trade; the invoice books reveal regular shipments of continental European linens to New York from the Dutch Caribbean. Illicit exchanges also took place between the foreign and British West Indies. The British islands, according to another source, relied on soap manufactured in Marseilles, which reached them via the French Caribbean colonies. Marseilles soap apparently won out on quality grounds over British soap, which melted in the heat and became ‘totally unserviceable’.

Reports on illicit trade, and fugitive details of some of its features, leave us no nearer any true sense of its scale. Smuggling, by its very nature, is not susceptible to quantification. Perhaps the best way to gain an impression of the extent of continental European penetration of colonial markets is not by trying to add together the figures for legal trade and estimates (or guesses) of the magnitude of clandestine commerce, but rather by focusing on sources that shed light on the goods actually purchased by or for the inhabitants of the British colonies in North America and the West Indies. Contemporary publications and newspaper adverts, as well as private diaries, letters, account-books, and inventories, provide us with glimpses of colonial consumption of continental European products. The picture is necessarily fragmentary; but at least it gives us a sense of the widespread availability of continental European commodities.

Affluent Americans and West Indians, rather than rely on locally produced rum, consumed copious quantities of Portuguese wine, given preferential access to British colonial markets in recognition of the long-standing Anglo-Portuguese alliance. Madeira dominated, but other Portuguese vintages reached the British Atlantic provinces. Large quantities of
‘Lisbon wine’ appear to have been consumed at Harvard College; the president’s diary for one day in 1760 records his having eleven dozen bottles taken from the college cellars.\textsuperscript{18}

Wines from other European countries were also readily available. According to a German visitor to Philadelphia in 1750, German and Spanish wine was ‘obtainable in all taverns’.\textsuperscript{19}

French wines, despite the high duties they bore, seem to have reached colonial consumers, too. As a South Carolina doctor noted in 1763, notwithstanding large-scale purchase of Madeira, ‘few Gentlemen are without Claret, Port, Lisbon, and other Wines, of the \textit{French, Spanish, or Portugal Vintages}'.\textsuperscript{20} Robert Pringle, a Charleston merchant, illustrates the point: his journal for the mid-seventeen-forties records extensive drinking, selling, and gifting of claret.\textsuperscript{21}

European textiles, as both the official trade statistics and scattered accounts of smuggled goods suggest, particularly attracted colonial consumers. A Philadelphia newspaper advertised the availability of ‘German serges’ in Samuel Neave’s store in June 1741; mention of the same fabrics, and many others of continental European provenance, appear in newspapers published in other colonial towns around the same time.\textsuperscript{22} Governor James Glen of South Carolina noted in 1749 the large numbers of ‘Linnens of all kinds’ purchased in his colony, many of them German, and also the ‘considerable quantitys of the fine Laces of Flanders, the finest Dutch Linnens & French Cambricks’.\textsuperscript{23} Between 1754 and 1757, according to adverts in the \textit{New York Mercury}, German linens and ‘Russia duck’ (a coarse kind of linen) were available in Greg and Cunningham’s New York City store.\textsuperscript{24} A few years later, in 1759, an invoice of goods brought to Jamaica on board the \textit{Milford} for use at Spring Plantation includes ‘Flaxen Osnaburgs’ and ‘Patterbons’ – which we can identify as two types of cloth, the first named after Osnabrück, the second, Paderborn, textile-producing towns in north west Germany.\textsuperscript{25}
Some of these items, admittedly, might not have been what they seemed. Textiles described as ‘Osnaburgs’ or ‘Oznebrigs’ were not always the German originals; Scottish, Irish, and English linen-makers produced their own imitations, which sold well across the Atlantic. Other fabric names can similarly deceive. ‘Hollands’, for instance, were not always Dutch. Even so, in 1744 the Westminster House of Commons learned from expert witnesses that German linens dominated the British Caribbean, where they were used to clothe the enslaved workforce on the plantations. Indeed, a recent study has highlighted the presence in London of large numbers of German merchants, who established themselves in the metropolis at least partly to facilitate access to British imperial markets. The account-books of Case and Shuttleworth, merchants in Kingston, Jamaica, suggest that ten years after the House of Commons’ investigation, ‘Oznabriggs’ – almost certainly German – were still competing strongly with Irish linen.

Before 1763, mid-eighteenth-century British governments, despite the intentions of the Navigation Acts, appear to have been largely unconcerned by the availability of continental European products in the Atlantic colonies. Irritation might be expressed about the extent of smuggling, which denied revenue to the state, but little anxiety was voiced by ministers about the penetration of legally imported foreign goods. One could even argue that successive British governments aided and abetted continental European re-exports to the Atlantic colonies. British politicians admittedly had few qualms about increasing the import duties on foreign textiles entering Britain during wartime, when revenue was much needed; a five percent rise was introduced in 1748, at the end of the War of the Austrian Succession, and another five per cent in 1759, during the Seven Years War.
North America and the West Indies benefited from the ability of the merchants who imported these goods (and other continental manufactures) into Britain and then re-exported them to America to claim a ‘drawback’, or refund, of part of the original import duty. As a result, colonial consumers could purchase German linens more cheaply than could their British counterparts.31

Unsurprisingly, British and Irish linen producers disliked the drawback and agitated for its removal. In the late-seventeen-thirties, they petitioned the Westminster Parliament, asking it to recognize that the drawback created a ‘great Hindrance’ to overseas and colonial ‘consumption of our own Produce and Manufactures’ and to take steps to help them.32 Their dissatisfaction was reduced in 1743 when the House of Commons agreed to introduce bounties on certain types of British linen exports;33 Irish linens that were deemed to be ‘the property of some person resident’ in Britain or the North American colonies benefited from the same subsidy.34 After having received complaints from merchants and manufacturers that the help given had been of little use to producers of coarse cloth, parliament extended the bounties to other sorts of British linens in 1746.35 But in 1753 the bounties lapsed, and in the period before they were reintroduced in 1756, British linen interests pressed hard for the termination of the drawback on foreign re-exports. Opponents of the drawback, as in the seventeen-thirties, argued that it effectively subsidized the competitors of British and Irish linen-makers, providing foreigners with privileged access to overseas and colonial markets.36

On the other side of the debate, the anonymous writer of a paper on ‘Reasons against taking off the Drawbacks on the Exportation of Foreign Linnens’ claimed that as the British linen industry was unable to satisfy even home demand, British linen producers had no reason to be fearful about continental European linen sales across the Atlantic.37 The author of this piece might well have been Denys de Berdt, a prominent member of London’s mercantile community, who had the ear of Westminster politicians, particularly, it appears,
Horatio Walpole, son of Sir Robert. We can see de Berdt as a representative of a particular lobby – those London merchants who traded with both the Continent and the colonies, taking English woollens to the first and returning with cargoes of foreign linens for the second. In two other documents, penned in 1755, and in Horatio Walpole’s papers, de Berdt detailed the case that the drawback served British interests. Were the drawback removed, he claimed, legitimate trade between the Continent and Britain’s Atlantic empire would be so disadvantaged that foreign merchants would be incentivized to send their goods directly to the colonies, in contravention of the Navigation Acts; smuggling, in other words, would almost certainly increase. As a result of the reduction in legitimate trade, customs revenues derived from foreign linen imports into Britain would decline. Most importantly, in de Berdt’s view, if foreigners sent fewer linens to Britain, then they would purchase fewer English woollen goods in return. He even speculated that they might start producing more woollens of their own, reducing still further English woollen exports to the Continent.

We know that questions relating to the linen trade divided MPs in this period, but unfortunately we know little of the substance of their disagreements. De Berdt’s point about a loss of revenue might well have influenced those who defended the status quo, but his arguments about the deleterious impact on the English woollen interest probably clinched the case for retaining the drawback. Woollen cloth had been England’s primary export commodity for hundreds of years, and in the early seventeen-fifties many parliamentarians still responded instinctively to any threat to its overseas sales. English linen producers were less well supported. Linen-making was much more important in Scotland and Ireland, where it received state support; in the Irish case partly to compensate for Westminster’s attempts to stop Irish woollens competing with English. But Scottish and Irish linen interests were usually outgunned at Westminster by the numerous friends of English woollen exports. The
disappointment of the linen producers subsided quickly, however, for in 1756, as we have seen, Parliament reinstated the bounties on the export of British linens.

-III-

From 1763, George Grenville and his ministerial colleagues took a tougher line on continental European goods entering colonial markets. Thomas Whately, writing in a pamphlet published in 1765 to defend the government’s record, argued that ‘Colonies are only Settlements made in distant Parts of the World, for the Improvement of Trade; but if they were allowed to transfer the Benefits of their Commerce to any other Country than that from which they came, they would destroy the very Purposes of their Establishment’. It was vital, he maintained, ‘To encourage the Consumption of our own Produce and Manufactures, in preference to those of other Countries’. Whately does not appear to have been influenced by contemporary writings on political economy; despite his penchant for abstract and general statements, he wrote as a politician justifying Grenville’s measures, not as a participant in a theoretical debate about colonial trade. His ready pen perhaps retrospectively conferred a greater coherence on government policy than it truly possessed – not an uncommon failing in ministerial apologists – even so, we can see, both from Whately’s account and other evidence, that Grenville’s administration tried to curb colonial consumption of foreign manufactures in two ways: first by clamping down on smuggling and secondly by legislative discrimination against legal re-exports from Britain to North America and the West Indies.

Whately’s disapproval of breaches of what he believed should be an exclusive trading system pervades his writings. The aim of the seventeenth-century Navigation Acts, he argued, was to ‘confine the European Commerce of the Colonies to the Mother Country’; when the colonists disregarded the Navigation Acts, their trade was ‘diverted from its proper
Channel’ and the American provinces became, as Whately memorably put it, ‘no longer
British Colonies, but Colonies of the Countries they trade to’. He maintained that it was
common practice for British ships to collect cargoes of foreign goods, which they pretended
were destined for the colonies of that European country, but then to call at a British port, load
a small quantity of British manufactures on board, and proceed to a British overseas territory,
where the whole cargo – British and foreign – would be put ashore and passed off as
British. He was even more exercised by direct American and West Indian purchase of
continental European goods, which were shipped to the British colonies in exchange for their
own products. ‘Large Quantities’, Whately wrote, ‘are annually sent … from the Ports of
Holland and other Countries on the German Ocean’, while more were ‘smuggled in smaller
Parcels from the Foreign, particularly from the Dutch Islands’.

Grenville shared Whately’s hostility to this illegal commerce. In October 1763, an order
in council, based on a treasury report, called for the tightening up of customs enforcement in
North America, the authors’ urging ‘suppression of the clandestine and prohibited trade with
foreign nations’.

The shorthand diary kept by Nathaniel Ryder, a government supporting
MP, records Grenville as announcing during the budget debate of 9 March 1764 that it was
‘particularly desirable to prevent intercourse of America with foreign nations’ and regretting
that ‘many colonies have such a trade’. The testimony of James Harris, a lord of the
treasury, indicates how seriously Grenville took the matter. On 7 April of the same year,
Harris dined with Grenville, and noted his chief as saying ‘in the ensuing Summer that he
intended to get all the acc††ts he was able from Petersburg, Amsterdam, Rotterdam, France &c
of the Smugling from those Places to our American Settlements, in order to Station our Ships
of War, So as most effectively to prevent it.’

Grenville’s wide-ranging overhaul of duties and commercial regulations, brought together
in the Revenue Act of 1764, was the second aspect of his attempt to tackle the problem of
continental European penetration of colonial markets. To most historians the important element of the act was the reduction in the duty on foreign molasses entering the North American colonies from the prohibitive six pence per gallon, set by the so-called Molasses Act of 1733, to a revenue-raising three pence per gallon. By comparison, Grenville’s measures relating to continental European manufactures, especially textiles, though usually mentioned in most historical accounts, are given little notice. Yet these measures marked a dramatic departure from the approach of earlier governments. The 1764 legislation included provisions to deal more effectively with clandestine trade: an elaborate system of documentation was introduced to combat fraudulent attempts to pass continental European manufactures off as British products; as a further deterrent, smugglers would be tried at a newly created vice-admiralty court, sitting without juries, at Halifax, Nova Scotia. But, more importantly, legal trade in foreign manufactures was also targeted: the Revenue Act withdrew the drawback on nearly all foreign re-exports to the British Atlantic colonies (drawbacks continued on re-exports to other areas of the globe, and on some Asian textiles going to America) and at the same time imposed new duties of three shillings per thirteen ells (just over sixteen yards) on certain types of foreign linen cloth re-exported to America.

Grenville left only limited clues as to his logic. An undated document in James Harris’s papers suggests that the government hoped to raise £50,000 in revenue from the new duties on foreign linens, which would contribute, like the more famous molasses duty, and duties on wines and Asian calicos going across the Atlantic, to covering the costs of the regular army based in North America after the Seven Years War. We also know from a later parliamentary enquiry that the removal of the drawback on almost all re-exports to the colonies boosted government income; repayments on re-exports fell from £55,626 in 1763 to £38,303 in 1765. In the context of the increased costs of imperial defence after 1763, and the enormity of the fiscal challenge facing post-war British governments, ministers no doubt...
welcomed any financial contributions, however modest. But revenue-raising was not Grenville’s only objective and – at least in the case of the drawback, which was removed only on products going to America – probably not even the main one. As Whately emphasized, the new duties made foreign textiles less competitive in colonial markets, while the ending of the drawback on re-exports to the Atlantic colonies meant that continental European goods generally became more expensive to Americans: ‘in many Articles’, Whately wrote, ‘this will give a Turn in favour of British Produce and Manufactures’.

Did Grenville’s approach reflect the influence of lobbying by interested parties? We know that his government was prepared, like earlier governments, to listen to individuals and groups representing trade or manufacturing; the 1764 Currency Act, controlling the issuing of paper money in the colonies, appears to have been a direct response to the pleas of British merchants fearful of depreciation. But when Grenville was pursuing his own agenda, he showed a steely determination to secure what he wanted. He considered ending the drawback from the moment he took office, at a time when British linen producers were not vociferously pressing for greater protection. He did, admittedly, propose ways to soften the blow for those merchants who objected; but his concessions were on matters of detail, not fundamentals. Just as with his beloved stamp duties scheme, Grenville was willing to negotiate on the fine points of implementation, but not on the principle.

Grenville’s Revenue Act met with very little parliamentary opposition. We can attribute its easy ride at least partly to the distraction of the duke of Newcastle, one of the government’s chief enemies, who showed more concern for the election of a new high steward for the University of Cambridge than for contesting the American duties. The criticism voiced by opposition MPs seems to have concentrated on the issue of the rate that the government proposed to charge on foreign molasses. Several speakers in the budget debate argued for a lower level of two pence per gallon, on the grounds that it would produce
more revenue, not less. In a subsequent division on the matter, a fortnight after the original debate, some fifty-five MPs supported a two pence duty, only to be outvoted by the 147 who favoured Grenville’s three pence.

But the opposition showed no inclination to query Grenville’s measures against foreign manufactures. William Baker, a supporter of the duke of Newcastle, effectively endorsed Grenville’s approach; according to Ryder’s account, Baker said that so far as foreign commodities were concerned, ‘he thinks it proper to lay high duty’. John Huske, an American by birth and a merchant by occupation, and like Baker associated with the opposition, was equally sure that the removal of the drawback on foreign re-exports was a positive step; ‘a bounty to our own manufactures’, as he described it. Defenders of the drawback were few in number, and by no means regular opponents of the government. Richard Glover, perhaps Grenville’s most persistent parliamentary critic on this issue, usually supported the ministry. His opposition appears to have been based on his fears that Grenville’s proposal would inadvertently increase smuggling and encourage the colonists to produce more of their own linens, but may have originated in his interests as a ‘Hamburgh Merchant’.

The next government, led by the marquis of Rockingham, and including the duke of Newcastle’s supporters, set about reversing many of Grenville’s initiatives. The most well-known of the new administration’s over-turnings was the repeal of Grenville’s American Stamp Act of 1765, a piece of political drama that captured the attention of many contemporaries – on both sides of the Atlantic – and has continued to dazzle modern historians of the period. By comparison, the Rockingham government’s attack on the 1764 Revenue Act has attracted much less notice. William Dowdeswell, Rockingham’s chancellor of the exchequer, produced his own wide-ranging commercial overhaul, which included a reduction in the levy on molasses imported into North America to just a penny per gallon,
chargeable on both British and foreign Caribbean molasses. Dowdeswell later explained that, so far as the molasses duty was concerned, his aim was to increase revenue; but Grenville predictably complained that, in response to lobbying, the new ministry was ‘taking off Tax after Tax’. Even John Yorke, a lord of trade in Rockingham’s government, noted with more than a hint of disapproval in May 1766 that his colleagues were ‘oversetting every American idea that ever was establish’d’. Edmund Burke, Rockingham’s secretary, responded to such criticism with some delight: ‘We are, it is true, demolishing the whole Grenvillian Fabrick.’

In one crucial respect, however, Grenville’s regulatory edifice was left intact. Dowdeswell’s Revenue or Plantation Duties Act of 1766 did not overturn the previous government’s attempts to reduce colonial consumption of continental European products. The drawback on re-exports to the colonies was not restored, and though Dowdeswell hinted that he would like to move ‘to a duty ad valorem’, in the end he offered this concession only on Asian fabrics; the 1766 Act repealed Grenville’s duties on European linens only to replace them with identical flat-rate charges. Whately, as inclined as Grenville to criticise the Rockinghamites at every opportunity, fretted in May 1766 that the new administration’s Free Ports Bill, designed to permit most foreign Caribbean produce into the British Empire at very low rates of duty, or none at all, would allow French manufactured goods to enter the British colonies in disguise. ‘I do not see why the French may not set up two or three looms for cotton stuffs, and in like manner establish other fictitious manufactures in their islands’, he wrote, ‘and under that colour supply our colonies with whatever they please’. But even the partisan Whately conceded that if this were to happen it would be an inadvertent consequence of the legislation, not a deliberate policy.

No evidence points to the Rockingham government’s being any more willing than its predecessor to condone continental European manufactures competing with British goods in
colonial markets. On the contrary, some of Rockingham’s supporters argued as strongly as Whately and Grenville for the necessity of excluding foreign commodities from the British colonies. One unnamed government member (or advisor) pressed for the intensification of Grenville’s tough line on smuggling: ‘as to the French, Dutch & Danes’, he is reported to have said, ‘He would make the Laws stricter against their Importing or Exporting any Goods to & from our Colonies (if stricter Laws could be framed) for they are the great smugglers of European Goods into our Colonies’.73 Even the aged Newcastle, who first came to prominence in the days of Sir Robert Walpole, when commercial regulations were enforced with much less vigour, agreed with John Roberts, a lord of trade, that ‘Certainly Some Care must be taken, To prevent The Introduction of Manufactures, &c, which are now furnished from the Mother Country’.74 The 1766 Free Ports Act, notwithstanding Whately’s anxiety, specifically stipulated that no non-British manufactures were to be admitted to the free ports established on Dominica and Jamaica.75

The Rockingham administration’s attitude was perhaps most clearly demonstrated in a clause of the 1766 Plantation Duties Act that forbade any American goods from being shipped directly to continental European ports north of Cape Finisterre. The Navigation Acts prohibited the direct export of specifically identified items from the colonies to mainland Europe, but imposed no blanket ban on the direct export of all American commodities. The Rockingham government’s aim in introducing this general prohibition, as the wording of the 1766 Act itself unambiguously states, was to stop American vessels making the journey home with cargoes of European manufactures collected at such places as Hamburg or Amsterdam. Charles Garth, a British MP and London agent for the South Carolina assembly, reported in September 1766 that the treasury had insisted on the insertion of the clause as a result of information given to the ministry by London merchants who knew of ‘unwarrantable practices’ by which continental European goods were clandestinely exported directly to
North America. This news must have come as a blow to Garth’s South Carolinian colleagues, who for some time had been pressing for permission to export rice directly to northern Europe (Sir Robert Walpole’s ministry had granted the same dispensation for southern Europe as long ago as 1731).  

By the time that Garth wrote to the South Carolina assembly, yet another new government was in office. At the beginning of August 1766, Rockingham was replaced by the duke of Grafton, the nominal head of a ministry formed under the influence of William Pitt, who now became the earl of Chatham. The new government contained many ministers who had served under Rockingham, including Charles Townshend, who became chancellor of the exchequer. Townshend told Garth that he wanted to give the 1766 Plantation Duties Act a fair trial before considering any changes. At first, Townshend looked as though he might be more willing than any of his recent predecessors to admit foreign products into the colonies. He announced a new duty to be charged on selected imports into America, to pay for the salaries of colonial governors and judges, in order to free them from financial reliance on their local legislatures. His principal aim, as he explained to Grafton, was a wholesale reform of colonial government, which would secure ‘independent Salaries for the civil officers in North America’, making them more responsive to instructions from London and less inclined to bow to local pressure. In May 1767, Townshend envisaged continental European fruits, oils, and wine as suitable objects for the new duty. But he was simply concerned with revenue; he had no wish to reduce sales of these foreign products in the colonies. As a result, to compensate for the extra costs imposed by the new duty, which might reduce consumption, he proposed to allow the fruit, oil, and wine to be shipped directly from Spain and Portugal, rather than through a British port, as the Navigation Acts required. But he abandoned his plans when he faced opposition to direct export to the colonies, and
decided instead to lay his duties on tea and a small set of non-essential manufactured goods – glass, lead, artists’ colours, and paper – of both British and foreign manufacture.⁸⁰

Even if he had persisted with the original proposal, Townshend’s liberality was distinctly limited. He was prepared to make it easier for certain continental European goods to enter the British colonies, but only those that offered no competition to British manufactures; at no stage does he seem to have contemplated any change in the duty chargeable on German and other continental textiles imported into British America. The Grafton government also carried on Grenville’s work in trying to eliminate, or greatly reduce, smuggling. In December 1766, the earl of Shelburne, secretary of state in the new administration, ordered General Thomas Gage, the commander-in-chief of the army in North America, to ‘spare no pains to be well informed of the several Species of Smuggling in the different Provinces, the different Countries with which the illicit Trade is carried on; the Arts and Practices used to evade the Laws, and the most effectual Method of detecting and putting a Stop to them.’⁸¹ In late June 1767, just days after Townshend’s duties had received royal assent, the government secured legislation creating a board of American customs commissioners; the intention was further to improve the efficiency of the customs service in North America. The following year, an order in council created more vice-admiralty courts to speed up the prosecution of violations of the trade laws.⁸²

Lord North, chancellor of the exchequer after Townshend died, and prime minister from the beginning of 1770, seems to have shared the view of Grenville and Dowdeswell that the colonies should be markets to which British goods had favoured access. While he repealed Townshend’s duties (apart from the one on tea), he maintained the fiscal discrimination against foreign linens introduced in 1764 and confirmed in 1766. Indeed, while North was first minister, the discrimination increased; in 1771 the subsidy on the export of certain types
of British linens, introduced in 1743 and 1746 and revived in 1756, was extended to new sorts of linen fabric, giving an added advantage to British products in colonial markets.  

-IV-

How do we explain the emergence of the post-Seven Years War political consensus on the need to reduce colonial consumption of continental European products? Given that the campaign to remove the re-export drawback had probably foundered in the seventeen-fifties partly because of the opposition of the woollen trade, perhaps part of the answer lies in changes in the balance of power between English woollen and linen interests. On one reading, wool remained dominant: in 1755 woollen exports accounted for forty-six per cent of all English domestically produced exports, and in 1764 for forty-five per cent. But English linen exports rose significantly with the reintroduction of the bounties in 1756. In 1755 they had stood at 3.8 million yards; by 1760 they had increased to 9.6 million yards. Though they slipped back to 8.5 million yards in 1765, in 1770 they crept up to 8.8 million and in 1775 to 9.2 million. If politicians at Westminster knew of this upward trajectory, they might well have concluded that the linen industry deserved further encouragement.

We can be more certain that British politicians were keen to take full advantage of imperial possibilities. The conquest of New France and the acquisition of Spanish Florida gave the British crown authority over the whole of the eastern half of North America, from Hudson Bay to the Gulf of Mexico and from the Atlantic to the Mississippi. The old British colonies no longer had proximate European rivals to fear. Ministers in London, contemplating this vast new dominion, and the security it conferred on the old colonies, convinced themselves that what had been won in the war should not be available for foreigners to exploit in its aftermath. Whately opened his 1765 pamphlet with the
observation that ‘The immediate Defence of our Colonies from imminent Danger, was the sole occasion of the last War: Their permanent Security has been effectually obtained by the Peace … happily for this Country, … the Commercial Interests of Great Britain, are now preferred to every other Consideration’. It followed, he stated, that what was needed now was ‘a wise and proper use of the Colonies’, which included recognizing their importance as consumers of British goods. In another pamphlet, written the next year, he argued that Britain was ‘entitled’ to a protected American market as ‘the only return which the Colonies can make for all the Benefits so lately’ given to them by the expulsion of the French from Canada.

Opponents of Grenville’s ministry did not use the language of entitlement, but we can be confident that they recognized the importance of colonial markets for British manufactures. That recognition surely informed the duke of Newcastle’s claim in February 1766 that ‘The Total Cession by France of all their Possessions in America, I always thought, & said, was a most Valuable Acquisition to this Country … We are now beginning to receive the Benefit of it’; only Grenville’s ill-judged Stamp Act, Newcastle continued, had disrupted the enjoyment of those benefits, and the sooner it were repealed, the better. William Pitt, another opponent of the Stamp Act, was no less committed to the ideal of the colonies as consumers of British goods. His ‘great Object’, an MP records Pitt as telling the House of Commons in February 1766, was ‘always her [i.e., America’s] taking ye[ ] manufactures’. This keenness to exploit imperial opportunities, shared by successive post-war governments, may well have led Grenville’s political enemies first to acquiesce in and then to emulate his attempts to reduce colonial purchases of continental European manufactured products.

Optimism about American potential was closely linked to pessimism about European developments. British politicians looked hopefully across the Atlantic not simply because they recognized the colonies’ intrinsic value, but also as a result of their fears that well-
established and closer markets were becoming less accessible. Mainland Europe took nearly sixty-three per cent of English exports by value in 1752-4. But governments on the Continent had begun to adopt more fiercely protectionist measures to foster their own industries and boost their taxable wealth in the aftermath of the War of the Austrian Succession (1740-48). The trend continued after the Seven Years War. In view of increasing protectionism on the Continent, the Atlantic colonies, at least nominally under British control, acquired a new importance. Whately argued that it was in America that ‘we must … chiefly expect Compensation for the Disadvantages under which our Trade will labour in European and other Markets’. The duke of Newcastle agreed. He wrote in February 1766 that ‘Our American trade depends upon ourselves; or at least [is] not in the Power of other Nations; which is not the Case of any other Branch of Trade.’ Greater protection for British colonial markets, initiated by Grenville and continued by his successors, might therefore be seen as a response to changed circumstances in Europe.

Did the efforts to make the colonies a reliable market for British manufactured goods by diminishing European competition have the desired effect? British and Irish linen exports to North America certainly increased (up to an annual average of 6.5 million yards in 1769-72) but this may have been due to the reintroduction of the bounty in 1756 rather than Grenville’s new duties and the ending of the drawback. There is no evidence of a collapse in foreign linen sales; on the contrary, official trade statistics suggest that they held up remarkably well. Total re-exports constituted nineteen per cent of all English exports to North America and West Africa in 1772-4, down from twenty-seven per cent in 1751-4. But
Linen re-exports fell less noticeably than re-exports in general. As we have seen, English linen re-exports were worth £301,000 a year in 1751-4; twenty years later, after the introduction of a more discriminatory regime in 1764, their value had slipped, but only by just over five per cent, to an annual average of £285,000.‘An Account of all Foreign Goods and produce’ legally imported into the British North American colonies in the year from January 1769, apparently drawn up for Lord North, reveals that large quantities of German, Dutch, and Russian linens, as well as Italian silks, continued to be sent across the Atlantic.

The official figures, as we have already noted, tell only part of the story. What about illegal commerce? Many contemporaries claimed that Grenville’s tightening up of the trade laws, and subsequent attempts to limit direct colonial commerce with northern Europe, significantly diminished smuggling of all kinds, including of European manufactures. In June 1764, Benjamin Franklin wrote from Philadelphia that ‘The Men of War station’d in our several Ports are very active in their new Employment of Custom house Officers; a Portmanteau cannot go between here and New York without being search’d; Every Boat stopt and examin’d, and much Incumbrance by this means brought upon all Business.’ The following October, Cadwallader Colden, lieutenant-governor of New York, reported to the board of trade that ‘since so many of his Majesty’s ships have been on the Coast’ the illegal trade of his colony, chiefly with ‘Holland & Hamburgh’, ‘is thought to be at an end’. An undated and anonymous paper sent to the duke of Newcastle, probably in the late spring or summer of 1766, argued that the naval cutters ordered to intercept illegal trade had been so successful that ‘an immense increase of the Importation of British manufactures in North America’ had followed the reduction in the quantity of goods sent directly from ‘France, Holland, Hamburgh, Russia & other parts of Europe’.
But we should not assume that these contemporary comments settle the matter. The explanation for the rise in consumption of British manufactures offered by Newcastle’s unknown correspondent may well have been wrong; the increase might not have been connected with more rigorous enforcement of trade regulations, but the result of the recovery in Atlantic trade that followed rapidly after the repeal of the Stamp Act and the ending of American boycotts of British goods. Indeed, plenty of contemporary comment suggests that smuggling continued, or even increased. After all, the removal of the drawback and the introduction of new duties in 1764 added to the incentive to bring in goods illegally. Franklin and Colden wrote at a time when naval intervention may well have been making an impact; but the situation seems soon to have changed. As early as November 1764 – just a month after his upbeat assessment of the impact of naval enforcement – Colden was beginning to have his doubts about whether customs officers would be diligent enough to prevent illegal commerce. In January 1767, the governor of New York received a report that smuggling had taken off in the months since the repeal of the Stamp Act, exceeding anything seen in the previous ten years. The next April, General Gage included ‘German Linnens, Hemp, Yarn &c from Holland Hamburgh, Curisoa, Monte Christie, S† Eustatia’ in a list of ‘The principal Articles Smuggled in to North America’. He also pointed out that illegal trade was still rife, much of it carried out by ‘using small Vessels, which run into the little Rivers and Creeks wherewith the Coast of America abounds.’

Whether by illegal or legal routes, continental European goods continued to reach colonial consumers. European wines remained popular with colonial elites, despite the increase in their price caused by higher duties. British governments would surely not have been concerned by the persistent use of this particular product: Grenville’s aim in raising duties on wines – and Townshend’s a few years later – was not to reduce consumption, but boost revenue. Foreign wines, after all, did not compete with a British equivalent. European
manufactures, especially textiles, were another matter, as Whately and others made clear; yet even these commodities, hampered as they were by higher duties and no re-export drawback, continued to be consumed. In 1765, German fabrics, including ‘Mecklinburgh stuffs’ and ‘Dresden poplins’, appear among assorted European goods for sale in various shops in Hartford, Connecticut. The next year, a South Carolina newspaper advertised the arrival of ‘German serges’ from London at a store in Beaufort. At the same time, Boston publications recorded the availability of similar products in their town, as did newspapers in Providence (Rhode Island), New York, and Philadelphia. Indeed, so many references appear to foreign textiles (and other manufactured goods) in colonial newspapers in the decade after 1764 that it seems hard to believe that there had been any significant reduction in their penetration of the American market. Down in the West Indies, meanwhile, members of the white elite showed no less inclination to buy the kind of foreign products that British governments sought to discourage. The account-book of James Pinnock, a Jamaican attorney, reveals that he purchased ‘Three p’ French ribbed Silk Stockings’ at the end of December 1766, and ‘a French Silk & Silver Waistcoat’ in December 1769.

Colonial consumers in the seventeen-sixties and early ’seventies, accustomed over many decades to purchasing large quantities of continental European products, were clearly reluctant to change their habits. Colonial elites could no doubt afford to pay the higher costs imposed by new duties and the removal of the drawback. But even less well-off consumers, whom we might expect to have been deterred, appear to have continued to purchase foreign manufactures. Perhaps, as Whately suggested, German immigrants brought fabrics with them to sell in the colonies, and settlers of German origin (a third of Pennsylvania’s white population, and maybe a tenth of the total in all the British mainland provinces) remained attracted by the products of their homeland. The long-term fall in the production price of foreign linens may well have been more important. But whatever the cause, Americans
persisted in purchasing continental European manufactures, despite the best efforts of ministers in London to persuade them to buy British.
* I should like to thank the owners and custodians of the manuscript materials used in this paper, especially Lady Elizabeth Godsal, who allowed me to examine her family archive at Haines Hill. I am also grateful to the anonymous referees of an earlier version of the paper, to Professor P.J. Marshall for his reading of a draft and the suggestions he made for its improvement, to Dr Aaron Graham for providing me with transcripts of material in the Dowdeswell papers, and to Dr Negley Harte for giving me his photocopies of parliamentary material relating to the linen trade.


5 Adam Smith, An inquiry into the nature and causes of the wealth of nations (London, 1776).


7 For recent accounts of the war and its impact, see F. Anderson, Crucible of war: the Seven Years War and the fate of empire in North America, 1754-1766 (New York, 2000); Conway, War, state, and society in mid-eighteenth-century Britain and Ireland; M. Schumann and K. Schweizer, The Seven Years War: a transatlantic history (London, 2008); D. Baugh, The global Seven Years War, 1754-1763 (London, 2011). For the European consequences, see H.


10 For Dutch imperial products in British colonial markets, see, e.g., B[ritish] L[ibrary], London, West papers, Add[itional]. MS 34,728, fo. 54, Peter Razer to James West, 1 March


12 BL, Walpole (Wolterton) papers, Add. MS 74,053, fo. 148.


14 BL, Walpole (Wolterton) papers, Add. MS 74,053, fo. 44 (14 March 1750/1).


16 BL, West papers, Add. MS 34,736, fo. 205, petition of Willoughby Marchant, n.d., but probably 1756.

17 For Madeira, which can be described as a European product only if we adopt a very broad definition of Europe, see D. Hancock, *Oceans of wine: Madeira and the emergence of American trade and taste* (New Haven, 2009).


23 BL, Kings MS 205, fos. 292-3, Glen’s responses to the questions of the lords of trade.


26 See, e.g., ibid., AC/WO 16 (4) b, ‘Jamaica Acc\(^{19}\) 31 Dec\(^{5}\) 1747’, which refers to ‘11 Scotch Oznab. 778 Yds’. See also A. J. Durie, ed., *The British Linen Company, 1745-1775*.
(Scottish History Society, 5th series, ix, Edinburgh, 1996), p. 105, for an example of Scottish ‘Osnaburghs’ sold to the Royal Navy. For Irish and Scottish linen exports to America and the West Indies, see Price, ‘Imperial economy’, pp. 87-8.

27 For ‘Irish Holland’ in Virginia, see HL, Brock collection, BR 37, account-book of Micajah Crew, 17 April 1761.


29 Liverpool RO, account-book of Case & Shuttleworth, 1754-61, 380 MD 33, pp. 5-85.


31 A comparison can be made here with colonial consumption of Indian textiles: the Calico Acts of 1700 and 1721 prohibited the selling of Asian cotton calicos and silks in England and then Britain, but not in the colonies. The aim, it seems, was to preserve the home market for British manufacturers, but at the same time allow the East India Company to profit from colonial purchases. See J. P. Eacott, ‘Making an imperial compromise: the Calico Acts, the Atlantic and the structure of the British Empire’, William & Mary Quarterly, 3rd series, 69 (2012), pp. 731-62.
Journals of the House of Commons, XXIII, cols. 26-7, 68, petitions from London and Scottish merchants and manufacturers, read on 9 Feb. and 8 March 1737/8, respectively. For a contemporary response, see [Anon.,] Reflections and considerations occasioned by the petitions presented to the honourable House of Commons, for taking off the drawback on foreign linens, &c (London, 1738).

For an important study of bounties in general, see J. Hoppit, ‘Bounties, the economy, and the state in Britain, 1689-1800’, in Gauci, ed., Regulating the British economy, pp. 139-60.


See Journals of the House of Commons, XXIV, cols. 770-1, petition of British and Irish linens merchants and manufacturers, 25 Feb. 1744.

BL, Hardwicke papers, Add. MS 35,910, fos. 5-8, undated paper on linens.

Ibid., Walpole (Wolterton) papers, Add. MS 74,053, fo. 58.

Ibid., fos. 48 and 113-14.

See, e.g., the division over the petition of British and Irish linen merchants and manufacturers, 25 Feb. 1744: Journals of the House of Commons, XXIV, col. 771; and the debates in the same year on linen duties: S. Taylor and C. Jones, eds., Tory and Whig: the


41 [Whately,] Regulations lately made, p. 89 and p. 58.

42 Ibid., p. 92.

43 Ibid., pp. 67, 98.

44 Ibid., pp. 66-7, 88, 92.


47 Hampshire RO, Winchester, Malmesbury papers, 9M73 G733, political memoranda of James Harris. For difficulties encountered in securing information, see National Maritime
Museum, Greenwich, Sandwich papers, SAN/V/107, Richard Wolters (at Rotterdam) to the earl of Sandwich, 22 Jan. 1765.


49 The 1764 Act also placed new duties on Asian calicos, underlining the Grenville government’s departure from previous ideas about the role of the colonial market. See Eacott, ‘Making an imperial compromise’, for the old orthodoxy.

50 Hampshire RO, Malmesbury papers, 9M73 G773/9/2.

51 *Report from the committee appointed to enquire into the present state of the linen trade in Great Britain and Ireland* (1773), in S. Lambert, ed., *House of Commons sessional papers of the eighteenth century* (145 vols., Wilmington, 1975), xxv. 432.

52 HL, Stowe collection, Grenville papers, STG Box 13 (6), Letter-book, Whately to John Temple, 5 Nov. 1764.

53 [Whatley,] *Regulations lately made*, p. 60.
Ibid., p. 59.

See, e.g., Liverpool RO, Parker family papers, 390 PAR I/27/5, Charles Steuart to Aitchison & Parker, 29 Jan. 1764.


See Hampshire RO, Malmesbury papers, 9M73 G713, pp. 116-19, parliamentary diary of James Harris, 23 March 1764. Liverpool RO, Parker family papers, 390 PAR I/27/10, Steuart to Aitchison & Parker, 4 May 1764, provides a retrospective judgement. For a more opaque assessment of Grenville’s reaction to the merchants, see Oxfordshire RO, Oxford, Jersey collection, J XXVi b/4, diary of George Bussy Villiers, 23 March 1764.

For the stamp duties, see the records of Grenville’s and Whately’s meetings with colonial agents in E. S. Morgan, ed., Prologue to revolution: documents on the stamp act crisis, 1764-1766 (New York, 1959), pp. 27-8, 33-4.

See, e.g., BL, Newcastle papers, Add. MS 32,957, fo. 5, copy of Newcastle’s letter to H.B. Legge, 13 March 1764: ‘I, & our Friends, at present, are wholly employed in our Cambridge Affair’.

61 Oxfordshire RO, Jersey collection, J XXVI b/4, diary of George Bussy Villiers, 22 March 1764.

62 Thomas, ed., ‘Parliamentary diaries of Nathaniel Ryder’, pp. 236, 238. See also the views of Rose Fuller, another Newcastle supporter: BL, Newcastle papers, Add. MS 32,957, fo. 116, Fuller to Newcastle, 16 March 1764.


64 As a fellow MP described him in 1742: Taylor and Jones, eds., Tory and Whig, p. 180. See also, Liverpool RO, Parker family papers, 390 PAR I/27/8, Steuart to Aitchison & Parker, 23 March 1764, which refers to the efforts of the ‘Hambro’ merchants &c’.


66 As George Bussy Villiers put it, ‘The Affair of Stamp Act … so much engrossed the thought of every one’: Oxfordshire RO, Jersey collection, J XXVI b/4, diary of George Bussy Villiers, 18 March 1766.
67 William L. Clements Library, Ann Arbor, Michigan, Dowdeswell papers, Box 1, Folder 12, Dowdeswell to Rockingham, 14 Aug. 1768.

68 BL, Newcastle papers, Add. 32,975, fo. 58, James West to Newcastle, 30 April 1766.

69 Ibid., Hardwick papers, Add. MS 35,374, fo. 291, Yorke to Hardwicke, 19 May 1766.


71 BL, Hardwicke papers, Add. MS 35,607, fo. 255.

72 W.J. Smith, ed., *The Grenville papers* (4 vols., London, 1852-3), III, p. 240. The equally partisan James Harris was no less doubtful about the Free Ports Act; the safeguards, he wrote, ‘were to be imposed by the weak hands of Revenue Officers’: Hampshire RO, Malmesbury papers, 9M73 G716, p. 73, parliamentary diary of James Harris, 30 April 1766.

73 BL, Newcastle papers, Add. MS 32,971, fo. 18, ‘Mr [ ] thoughts on the American Trade’, n.d.

74 Ibid., Add. MS 32,974, fo. 374, copy of Newcastle to Roberts, 14 April 1766.

75 6 Geo. III, c. 49, § 3.
Haines Hill, Berkshire, Colleton, Garth, and Godsall family papers, Box 23, letter-books of Charles Garth, Garth to committee of correspondence of the South Carolina assembly, 26 Sept. 1766. The South Carolina assembly’s views on rice exports appear in the committee of correspondence’s letter to Garth of 5 June 1762.

Ibid., Garth to the committee of correspondence, 24 Nov. 1766.

Suffolk RO, Bury St Edmunds, Grafton papers, Ac 423/445, Townshend to Grafton, [25 May 1767].

Thomas, ed., ‘Parliamentary diaries of Nathaniel Ryder’, p. 344. Dalkeith House, Midlothian, Buccleuch and Queensberry muniments, Townshend papers, Box VIII, bundle 31, includes documents on ‘Proposed duties on wine, oil, & fruit imported into America’, detailing the charges that Townshend was considering.


[Whately,] *Regulations lately made*, p. 3.

[Thomas Whately,] *Considerations on the trade and finances of this kingdom, and on the measures of administration with respect to those great national objects since the conclusion of the peace* (London, 1766), p. 11.

BL, Newcastle papers, Add. MS 32,973, fo. 343, copy of Newcastle to the archbishop of Canterbury, 2 Feb. 1766.

Berkshire RO, Reading, Neville and Aldworth papers, D/EN O34/23, parliamentary diary of Richard Neville, 21 Feb. 1766.


[Whately,] *Considerations on the trade and finances of this kingdom*, p. 11.
93 BL, Newcastle papers, Add. MS 32,973, fo. 343, Newcastle to the archbishop of Canterbury, 2 Feb. 1766 (copy).

94 Truxes, Irish-American trade, p. 188.

95 Price, ‘Imperial economy’, p. 103 (Table 4.5).

96 Bodleian Library, Oxford, MS North c. 83, fos. 22-4. See also TNA, Treasury papers, T 64/275/189-90, account of foreign printed and painted linens exported annually, 1765-70. Returns for 1772 and 1773 are in T 64/275/201.


99 BL, Newcastle papers, Add. 32,971, fo. 20.

100 TNA, Treasury papers, T 1/430/116, Colden to the earl of Halifax, 10 Nov. 1764.


See, e.g., *Connecticut Courant*, 6 and 13 May 1765.

*South-Carolina Gazette; and Country Journal*, 11 Feb. 1766.


See C. Shammas, ‘The decline in textile prices in England and British America prior to industrialization’, *Economic History Review*, 47 (1994), p. 503 (Table 7) for a comparison of the cost of ‘Osnaburgh’ linens in 1660-73 and 1774. But note that whether the Osnaburghs in 1774 were the German originals or British and Irish imitations is unclear.