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NEUTRAL COVER AND GLOBALISED COMMERCE IN THE WARS OF THE 18TH CENTURY

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ABSTRACT

In the 18th century, even at the very heart of the wars, belligerents' trade was not fully interrupted. One way to continue the commercial shipping was to appeal to neutral flags. The object of this paper is to see how the uses of the advantages of neutrality contributed to maintain and even increase the general globalisation of trade in the context of the 18th century overseas wars. In the Caribbean, under the cover of their neutrality, Dutch and Danish little islands were not just a place where enemy subjects could met, it was also convenient for quick naturalisations that allowed forbidden commercial relations between enemies. This story shows how transimperial commercial exchanges were deeply rooted and the impossibility even for the most powerful navy to control the reality of global trade. During the second part of the American Revolutionary War, Denmark remained the neutral power with the most important fleet. The Danes took benefit of their neutral status to open a direct trade with Venezuela and made impressive progresses in the Asiatic trade. In the particular circumstances of wartime, neutral shipping and trade could be an opportunity for both belligerents and non-belligerents. The first one found a way to continue their commerce even with enemy partners, and the second improved their shipping and trade and could under their name earn more money just by covering the belligerents' activity. For neutrals on the whole, 18th century wars can also be considered as a fruitful period and a time of progress allowing access to new markets.

KEYWORDS: 18th century; war; America; Caribbean; neutrality; international commerce; smuggling.

COUVERTURE NEUTRE ET MONDIALISATION DU COMMERCE DANS LES GUERRES DU XVIIIE SIÈCLE

ABSTRACT

Au XVIIIe siècle, même au cœur des conflits, le commerce des belligérants n’est jamais totalement interrompu. Un des moyens pour continuer à assurer les échanges extérieurs et d’avoir recours aux pavillons neutres. L’objet de cet article est de montrer comment l’utilisation des avantages de la neutralité a permis de nourrir, voire même d’accentuer, la mondialisation du commerce dans le contexte des guerres maritimes du XVIIIe siècle. Aux Antilles, grâce à la couverture de leur neutralité, les petites îles hollandaises et danoises ne sont pas seulement des lieux où les sujets de puissances ennemies peuvent se rencontrer, elles permettent également d’obtenir des naturalisations rapides qui permettent d’entretenir des relations commerciales entre ennemis. Ce constat montre le profond ancrage des circulations commerciales transimpériales et l’incapacité, même pour la marine la plus puissante de son temps de contrôler des échanges toujours plus globaux. Dans la seconde phase de la guerre d’Indépendance, le Danemark demeure la seule puissance neutre dotée d’une flotte importante. Les Danois profitent de cette situation pour inaugurer un commerce direct avec le Venezuela et faire de gros progrès dans les échanges avec l’Asie. Dans le contexte particulier des temps de guerre, la navigation et le commerce neutres présentent des avantages tant pour les belligérants que pour les non-belligérants. Les premiers y trouvent un moyen d’entretenir leur commerce, même avec l’ennemi, alors que les seconds développent leur flotte et leur activité marchande tout en engrangeant des profits par la prise en charge de l’activité des belligérants. Pour les neutres, dans l’ensemble, les guerres du XVIIIe siècle peuvent être considérées comme des périodes de prospérité et de progrès qui permettent d’accéder à de nouveaux marchés.

KEYWORDS: 18e siècle; guerre; Amérique; Antilles; neutralité; commerce international; interlope.

NEUTRADIDAD Y GLOBALIZACIÓN DEL COMERCIO EN LAS GUERRAS DEL SIGLO XVIII

RESUMEN

En el siglo XVIII, incluso en el corazón mismo de las guerras, el comercio de beligerantes no se interrumpió por completo. Una forma de continuar con el mismo era apelar a las banderas neutrales. El objetivo de este artículo es ver cómo los usos de la neutralidad generaron ventajas que contribuyeron a mantener -e incluso aumentar- la globalización general del comercio, en el contexto de las guerras de ultramar del siglo XVIII. El Caribe holandés y danés no fue sólo un lugar donde los enemigos podían reunirse, sino también un espacio conveniente para las rápidas naturalizaciones que permitían las relaciones comerciales prohibidas entre enemigos. Esta historia muestra cómo los intercambios comerciales transimperiales estaban profundamente arraigados y la imposibilidad incluso de que la marina más poderosa controlara la realidad del comercio global. Durante la segunda parte de la Guerra de la Independencia de los Estados Unidos, Dinamarca siguió siendo la potencia neutral con la flota más importante. Los daneses se beneficiaron de su neutralidad en los conflictos para abrir un comercio directo con Venezuela e hicieron progresos impresionantes en el territorio

asiático. En las circunstancias particulares de la guerra, el envío y el comercio neutral podrían ser una oportunidad tanto para los beligerantes como para los no involucrados. Los primeros encontraron una manera de continuar su comercio incluso con socios enemigos. Los segundos, mejoraron sus proyectos comerciales dado que, bajo el nombre de la neutralidad, podrían ganar más dinero sólo al cubrir la actividad de los beligerantes. De modo que, para los neutrales en general, las guerras del siglo XVIII también pueden considerarse como un período fructífero y un tiempo de progreso que les permitió el acceso a nuevos mercados.

PALABRS CLAVES: siglo XVIII; guerra; América; Caribe; neutralidad; comercio internacional; contrabando.

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NEUTRAL COVER AND GLOBALISED COMMERCE IN THE WARS OF THE 18TH CENTURY

"Commerce has become one of the main objects which disturb and divide them [the nations and the sovereigns]" insisted the French author Jacques Accarias de Sérionne in the 1760.[1]

Indeed, in the wake of colonisation and mercantile globalisation, the rivalry for extra-European commerce became a central issue, mainly between the two major European powers, France and Great Britain, but also for other countries. The "Jealousy of Trade" as stressed by David Hume, (1777 : 327-331)[2] made commerce a decisive factor in the balance of power in Europe and in the world. In peacetime, the goal of trade was to increase exports to earn money from foreign countries, to increase shipping and thus indirectly sea power. Commerce was also important in wartime, whether in trying to hamper the enemy's economy in the hope of crippling its abilities to continue fighting, or to protect one's own resources to maintain one's own military and economic strength.

From the Nine Years' War (1688-1697) onwards, harassing the enemy's maritime commerce was a key strategy for belligerents: "The more of the enemy's ships you captured or sank and the fewer of your own you lost, the better for your trade: that seemed to be the gist of the matter" rightly asserted English historian George Clark. (1928: 26) The objective of this "skilled" warfare was, as Jean Sebastien le Preste de Vauban stressed, to "cut the sinews of war" by paralysing the enemy's economy. (VILLIERS, 2007: 338) In these circumstances, the question of neutrality, of neutral duties and rights, and neutrals' relations with belligerents became a major issue in international relations. Through a combination of principles and experiences, European

[1] "*Le Commerce est devenu l'un des principaux objets qui les agitent & les divisent [les Nations & les Souverains]*", ACCARIAS DE SERIONNE, J. *Intérêts des nations de l'Europe dévelopés relativement au commerce*, t. 2, Leiden, 1766, p. 300.
[2] For a comprehensive analysis of this notion see: (HONT, 2005)

powers gradually built up a framework for both the theoretical and practical exercise of neutrality in order to protect the rights and liberties of peaceful countries in wartime. This general trend occurred within a context of globalisation of the rivalries and conflicts among the major European powers. In particular, the Franco-British wars increasingly spilled outside Europe into America and in Asia as well. As the geographical scope of war was extended, so was the scope of neutrality. Colonisation, the growth of international shipping and trade, and extending war to encompass enemy commerce and navigation expanded the issues of neutrality beyond the European world.

From the War of Spanish Succession to the American Revolution, European rivalries in America were dominated by the struggle between France and its Bourbon ally Spain against England, then Great Britain. War disrupted commercial exchanges between the European home countries and their colonies, however, that does not mean that trade was interrupted. One way to continue commercial shipping was to appeal to neutral flags. Even though covering belligerent trade by neutral colours was a common practice in Europe, (SCHNAKENBOURG, 2011: 101-119) it took on new forms in the Caribbean. Indeed, the interweaving of close territorial sovereignties, the ease of travelling by sea, the important contraband trade, the pattern of the West Indian economy, and the distance from Europe resulted in specific characteristics of belligerent commerce under neutral cover. Here, the practices and customs of neutrality as established in Europe were challenged by the patterns of overseas shipping and trade. The purpose of this paper is to explore how the uses and the misuses of the advantages of neutrality maintained and even increased the overall globalisation of trade in the 18th-century overseas wars. The issue of neutrality and colonial commerce in this period was studied in the 1930s by the English historian Richard Pares (1963). I would like to explore this subject in light of recent trends in the history of European empires. More particularly, neutrality offers a rich perspective for investigating trans-imperial relations. Wartime could be a prosperous time for neutrals to take advantage of the circumstances in order to serve both sides. Using neutral cover was a way to thwart the belligerents’ strategy, since it allowed neutrals to supply all the warring parties, to hide exchanges between enemies, and also to expand the involvement of the neutral flag in global commerce.

Neutrality and commerce with the enemy in the Caribbean during the War of Spanish Succession

Along with the great powers settled in America, minor powers such as the United Provinces and Denmark also had colonies. When neutral, they tried to benefit from the wartime context. For example, Denmark continued to maintain its neutrality throughout the Franco-English wars of the 17th and 18th centuries. The Danes gained three colonies in the Virgin Islands archipelago: Saint Thomas in 1672, Saint John in 1718 and Saint Croix in 1734. In peacetime, these colonies were active smuggling centres and in wartime commerce there flourished thanks to Danish neutrality. As Denmark had a limited population (1.2 million people including Norway at that time, governed from Copenhagen) and lacked the money to exploit its colonies, colonial development had to depend on foreigners' commerce. Dutch, English and French people were the most numerous foreigners there at the end of the 17th century. (HALL, 1992: 6, 9-10) During the War of Spanish Succession, Charlotte Amalie, the main port in Saint Thomas, enjoyed a period of great prosperity. According to French author Guillaume-Thomas Raynal, it was the

> "refuge for all merchant ships which, chased in wartime, found there a neutral port. It was the warehouse of all exchanges that the neighbouring people could not make elsewhere with such ease and security. From there, richly loaded ships were sent every day for clandestine trade with the Spanish coast...finally, Saint Thomas was a place where a great deal of very important business was done".[3]

This Danish colony was not just a place where enemy subjects could meet, it was also convenient for quick naturalisations that then allowed commercial relations that had been forbidden between enemies. Indeed, during the War of Spanish Succession, in the French colony of Saint Domingue contraband trade was dynamic thanks to Danish merchants who, in reality, were English.

For example, this was the case of Peter Smith, officially a subject of the Danish king, but he had been born English, and was an owner of stores and ships. During the war, he maintained regular trade between Saint Thomas, Saint Domingue and

[3] "*L'asile de tous les batiments marchands qui, poursuivis en temps de guerre, y trouvaient un port neutre. C'était l'entrepôt de tous les échanges que les peuples voisins n'auraient pu faire ailleurs avec autant d'aisance & de sureté. C'est de là qu'on expédiait tous les jours des bateaux richement chargés pour un commerce clandestin avec les cotes espagnoles, ... Saint-Thomas était enfin une place où se faisaient des marchés très importants*", (RAYNAL, 1780 t. 3: 318).

Martinique in broad daylight. He earned a lot of money this way and was considered at that time as "the greatest merchant there".[4] At the end of 1703, one of his ships sailing under Danish colours was seized by a privateer from Barbados and condemned by the Vice-Admiralty of Jamaica. Danish Governor Hanssen took up Smith's defence as a matter of respect for Danish neutrality. He asked for the release of the ship, which was under Danish flag, and endowed with official Danish papers in due form.[5] Even though the English had warned the inhabitants of Saint Thomas that their commerce with the French and Spaniards was illegal and contrary to good Anglo-Danish relations, they had no real means to stop it.[6] At the same time, the governor of Barbados, Bevil Granville, asked his government in London about a certain Manuel Manasses Gilligan, recently naturalised Danish who, with total impunity, did business with the enemy under the cover of neutrality. In 1703, one of Gilligan's ships involved in commerce with the enemy was captured and it was sent to trial. Granville clearly warned that if Gilligan was not punished, some of the English settled in Saint Thomas would take advantage of the circumstances to trade with the French and the Spanish territories.[7] The Vice-Admiralty of Barbados returned a verdict that the prize had been a good one, but the ship was released on appeal in London. According to the General Attorney, Edward Northey, while naturalisation without any permission does not exempt a subject from following his king's orders, Gilligan who actually lived in Saint Thomas, cannot be condemned if as a neutral subject he simply traded innocent goods with the French and the Spanish: "I do not take simple trading with an enemy to be high treason unless it be in such trade as furnishes the enemy with stores of war".[8] Like many other merchants in these circumstances, Peter Smith openly continued to furnish provisions to Saint Domingue and Martinique until the end of the war,[9] whereas Gilligan dealt mostly in the slave trade from Danish and Dutch colonies to the Spanish American mainland.[10]

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[4] "*An account of persons trading with pirates"* Oglethorp to Hedges, 27 January 1706, *Calendar of State Papers Colonial, America and West Indies*, [thereafter CSP], vol. 23, London, p. 24, and Oglethorp to Sunderland, 19 May 1710, *CSP*, vol. 25, London, 1924, p. 105. See: (FROSTIN, 1973: 339-341).

[5] Claus Hansen, gouvernor of Saint Thomas, to Thomas Handasyd, gouvernor of Jamaica, 26 October 1703, CSP, vol. 21, *op. cit.*, p. 842-843.

[6] *Ibid.*, Handasyd to Hanssen, 26 October 1703, p.843.

[7] *Ibid.*, Granville to William Popple, 31 October 1703, p. 788.

[8] Attorney General to the Council of Trade and Plantations, 22 March 1704, CSP, vol. 22, London, 1916, p. 82.

[9] Oglethorp to Sunderland, 19 May 1710, CSP, vol. 25, *op. cit.*, p. 105; (FROSTIN, 1973: 339-341).

[10] This trade earned Gilligan the reputation as an expert in the field of Spanish American commerce and was sent to Madrid for the negotiation of the Asiento in 1712, (STEIN and STEIN, 2000: 137).

While at the time of the War of Spanish Succession, Granville called Saint Thomas a "staple for all sort of indirect and illegal trade and commerce",[11] the English courts lacked a legal basis for a real punishment of what seemed to be a misuse of Danish neutral cover. In fact, from the English point of view, the problem was not really Danish neutral trade, but the English trade under Danish cover since the "true" Danes were not involved in Intra Caribbean exchanges.[12] Even worse, false neutral trade covered exchanges with the enemy that already existed in peacetime as contraband. In spite of the firmness of the English governors' discourse, trade with the French enemy through English-naturalised Danes was a real problem. With the exception of contraband goods, there was no legal way to condemn this trade and therefore no way to stop it. In this case, the problem was not neutrality in itself or the scope of neutral rights, but rather the improper use of neutrality. However, this story shows how trans-imperial commercial exchanges were deeply rooted and the impossibility for even the most powerful navy to control actual global trade. This problem reappeared some decades later during the Seven Years' War.

The neutral cover of French trade during the Seven Years' War

From the very first year of the war against France in 1756, the British government decided not to conquer the French islands in the Caribbean but to weaken their commerce in order to harm France's economy. In 1757, London decided to concentrate the war effort on the French colonies. (PARES, 1963: 384-387; CORBETT, 1907: 390-393) The British governors received orders to prohibit any supply sent to the enemy colonies, and the Leeward Islands squadron under Admiral John Moore was reinforced in order to intercept shipping intended for the French. (PARES, 1963: 368-369; BUCHET, 1991: 379-381) The British strategy was successful and truly harmed relations between France and its colonies. At the beginning of the war, just under 300 French ships were captured in the Atlantic, among them one-third from Bordeaux. (BUTEL, 1973: 818) The direct trade from this port to the Caribbean fell by three-quarters between 1756 and 1758, and by 87% in 1760. (SCHUMANN and SCHWEIZER, 2008: 105) At that time, French ships rarely ventured to sail in

[11] Granville to the Council for Trade and Plantations, 3 September 1703, CSP, *op. cit.*, p. 666.
[12] For a study of Danish colonial trade see: (GØBEL, 2015; WESTERGAARD, 1917).

Caribbean waters. Indeed, since the beginning of the war, a large part of French commerce continued under neutral cover. Coastal navigation maintained Caribbean trade between French and Dutch territories, particularly Saint Eustatius. Along with Curacao, it became an important warehouse, a kind of gateway between Europe and America characterised by its cosmopolitanism.[13] Once French colonial products arrived in Saint Eustatius, they were transferred onto large ships and sent to Europe. In the other direction, the island was the port of entry for European products intended primarily for the French colonies. (GOSLINGA, 1985: 210) The British knew that neutral shipping, mainly Dutch, was sustaining the French colonies. The Dutch traded under the pretence of acknowledging the free commerce of innocent goods included in their 1674 treaty with England. The "free ships, free goods" clause, although not formally stated, was from then on a bone of contention with the English, especially during the Seven Years' War, as the Dutch claimed this right to be able to trade with the French colonies. But the London government countered that the 1674 treaty was for Europe only and could not be claimed for American trade, which meant the abrogation of the "free ships, free goods" principle. (PARES, 1938: 189) For this reason, since the beginning of the war, some of the Dutch ships coming from or going to French islands had been arrested. The noose was tightening from summer 1758 onwards when Dutch and, to a lesser extent, Danish ships trading with their own islands suffered some seizures. (CARTER, 1971: 106) Little by little the French territories were practically under blockade, and their relations with European neutral ports were almost suspended. The British strategy was thus successful and enabled the conquest of Guadeloupe in 1759 and Martinique in 1762. At the end of the war, Saint Domingue was the only territory held by the French. Even though its commerce fell dramatically, the colony was not isolated and survived thanks to neutral cover, to the great displeasure of the British.

For the British, the key point was the difference between neutral commerce *with* the enemy and *for* the enemy. (MARRIOTT, 1758) As the French *Exclusif* system forbade foreign ships from entering a colonial port, any neutral ship that came and went openly from a French port ought to be considered as French, as enemy, and

[13] "Never did I meet with such variety...here was a merchant vending his goods in Dutch, another in French, and a third in Spanish" *Journal of a lady of quality; being the narrative of a journey from Scotland to the West Indies, North Carolina, and Portugal, in the years 1774 to 1776*, (WALKER ANDREWS, 1922: 135-136).

consequently liable to seizure.[14] The first victim of this principle was the Dutch ship *America,* arrested in 1757 on her way back from Saint Domingue and finally condemned on appeal in 1759. The access to a port reserved for French subjects, the observance of French rules, and the loading of an enemy cargo justified that "the said ship ought by law to be considered in this case as a French ship" and inevitably condemned. (WOOLSEY, 1910: 836)[15] This line of argument was the basis of the "Rule of the War of 1756"[16].

"The Rule of the War of 1756" was convenient for hindering the neutral ships visiting French ports, but it did not solve the problem of enemy goods carried by coastal navigation to a neutral island then reloaded onto a neutral ship to Europe and finally to France. In that case, the journey was between two neutral ports or between a neutral port and a belligerent port, both cases admitted by the law of neutrality. In order to put an end to these kinds of practises, the British developed the "Doctrine of Continuous Voyage" from 1761. (BRIGGS, 1926: 14; WOOLSEY, 1910: 822-847; PARES, 1938: 204-225) It took into account the journey of the goods from their departure to their arrival, no matter if, on their way, they were carried by a neutral ship and passed neutral ports. For instance, a cargo from Saint Domingue landing in Saint Eustatius then to Amsterdam and finally headed for France, could be considered as an export from a French place to another one and therefore liable to seizure. The "Rule of the war of 1756" and the "doctrine of continuous voyage" are related to two neutral relations considered by the British as partially in favour of the French. The English measures rested on the principle that flags and passports, which both testified nationality, were not sufficiently reliable for considering the fairness of a neutral shipping and trade. But neutral cover could be used in another way when neutral subjects, ships, and flags acted as go-betweens on a small scale, as shown by the success of Montechristi.

Montechristi was a tiny isolated village on the northwest coast of the Spanish part of the island of Hispaniola, very close to the French frontier of Saint Domingue. It had

[14] "Where a neutral is engaged in a trade which is exclusively confined to the subjects of a country [...] and interdicted to all others, and cannot be avowedly carried on in the name of a foreigner, such a trade is considered so entirely national that it must follow the hostile situation of the country." Opinion of the British admiralty quoted by: (KULSRUD, 1936*:* 79; MARRIOTT, 1758: 18-29).

[15] In 1761, the Lord chief justice of England, William Mansfield, specified the rule for the treatment of neutral ships visiting French colonies: "The rule is, that if a neutral ship trades to a French colony, with all the privileges of a French ship, and is thus adopted and naturalized, it must be looked upon as a French ship, and is liable to be taken." Cited in: (JESSUP and DEÁK, 1976: 155).

[16] The best account of the "*Rule of the War of 1756"* can be found in: (PARES, 1938: 180-204).

no relations by land with the rest of the Spanish territories and so little trade was done by sea that no customs officers were established there. It was thus a *de facto* free port where trade was under no one’s control. (TRUXES, 2008: 79; PARES, 1956: 61) The Seven Years’ War and Spanish neutrality, until 1762, changed Montechristi into a commercial hub between the French and the English, mainly North Americans, under neutral cover as explained by Raynal:

> “Monte-Christo was only a warehouse where English smugglers usually came to load commodities from the few plantations in the neighbourhood. The hostilities between the courts of London & Versailles made these fraudulent relations more significant & this market then took on great importance”.[17]

The story of the *Speewell* from Newport, Rhode Island, in 1757 shows how the hub of Montechristi worked. Once there, the ship and its cargo were sold by a fake sale to a Spanish subject who hired a Spanish crew and thus became neutral. The ship then went to the closest French port were its cargo of lumber and commodities was exchanged for sugar, coffee and indigo. Then the ship went back to Montechristi and was resold to her previous owner before returning to Rhode Island. (PITMAN, 1917: 314-316; PARES, 1936: 457 and 460; SIMPSON, 2012: 66) North Americans also sometimes sold their cargo to Spanish strawmen who conducted business under their name in the French territory, before selling the products back to their first partners. The bay of Montechristi, under the cover of Spanish neutrality, became the main hub for exchange between Saint Domingue and the English colonies in North America and with Ireland. (FROSTIN, 1973: 601-602; PITMAN, 1917: 314-315) The lack of wharves and of warehouses in Montechristi shows that exchanged goods were only seldom landed. (TRUXES, 2008: 80) Its success was so great that in 1759 and 1760, sometimes over one hundred ships laid anchor at the same time off the coast of Montechristi. (TRUXES, 2008: 79; PITMAN, 1917: 317; PARES, 1936: 457, 461-463)

The English authorities knew very well that Montechristi was a false place of commerce, and that the ships officially coming back from Spanish Santo Domingo were loaded with French products, as Vice Admiral Charles Holmes admitted: “[Montechristi is] wholly French; and the Spaniards are only the porters of this trade”. (BEER, 2011:

[17] “*Monte-Christo n’est qu’un entrepôt où des interlopes anglois viennent habituellement charger les denrées de quelques plantations françoises établies dans son voisinage. Les hostilités entre les cours de London & de Versailles rendent les liaisons frauduleuses infiniment plus considérables, & ce marché acquiert alors une grande importance*”, (RAYNAL, 1780 t. 3: 256)

99,107-108) But the English captains and the French did not have any direct relations, as the shipowners clearly stated in their instructions. For example, this was the case for the *Dolphin* of New York:

> "You are positively ordered and directed that while you are at Monte Cristo, you do not by any means deal, trade or traffic with any subjects of the French King but solely with Spaniards, that the rascals who act as judges in some of the Admiralty courts in the West Indies may not have so much as a pretence to confiscate the vessel and the cargo". (PARES, 1936: 459, 465-466)

As North Americans officially only conducted business with Spanish subjects, they were not condemned for trading with the enemy. Despite the evidence of trade with the French, English courts lacked legal grounds for condemning the intercepted ships on their way back from Montechristi. Based on papers certifying the purchase of their cargos by Spanish subjects, the North Americans asserted that they lawfully owned their cargo. The judges shared this opinion as in the verdict of 1762 concerning the *Catherine*, arrested on her way back from Montechristi. Lewis Morris, a judge from the Vice-Admiralty of New York, asserted:

> "I am clearly of opinion that the property of an English subject made out by clear and concluding proof is not subject to condemnation as prize to any private vessell of warr tho taken in any unlawful or forbidden commerce". (HOUGH, 1925: 203)

Indeed, almost all the cargos condemned at the first trial by the English Vice-Admiralties in the Americas were released on appeal. (HARRINGTON, 1935: 261) A report from Jamaica written in 1760 presented some arguments against the trade at Montechristi. Its author refuted Montechristi's status as a free port since it had not been proclaimed before the war. He denounced the "imaginary port of Monto Christi [where] there are neither goods imported nor exported neither ships loaded nor unloaded".[18] The problem was the misuse of neutrality and the unfair behaviour of Spanish officers in Montechristi "the Spanish certificates and passes given at this place merit no credit. They bear no relation to truth and are illegal and unjust"[19]. While the author was right in

[18] "Memorial respecting Monto Christi in Hispaniola & the Correspondence and Trade carried on with the Enemy from the Bay Monto Christi by the King's subjects and the subject of neutral Power under the Pretence of this place being a free port and protected by a Neutral Power" Jamaica, December 1760, National Archives [Kew, Great Britain], CO 325/2, fol. 36.

[19] "Memorial respecting Monto Christi in Hispaniola & the Correspondence and Trade carried on with the Enemy from the Bay Monto Christi by the King's subjects and the subject of neutral Power under the Pretence of this place being a free port and protected by a Neutral Power" Jamaica, December 1760, National Archives [Kew, Great Britain], CO 325/2, fol. 41.

substance, the fact was that under the cover of the Spanish neutral flag, some important transimperial exchanges took place in the American Atlantic. This paved the way for smuggling relations once peace was restored. Indeed, the development of neutral shipping and trade in world commerce during the 18th-century wars must not be taken only as an illusion, as a simple cover for belligerents’ trade. Rather, it had lasting effects on the opening of new markets for neutrals and therefore contributed to the increasing globalisation of trade.

The enlarged horizons of Danish shipping and trade during the American Revolutionary War

In the 18th century, the most prosperous neutral world carriers were the Dutch. While their neutrality was a favourable factor in the growth of their commerce, it was also an important bone of contention with the British. But on 3 February 1781, the British attacked Saint Eustasius, the main Dutch warehouse in the Caribbean and nicknamed “the golden rock”. This put an end to Dutch participation in American Atlantic commerce and transatlantic exchanges for the remainder of the war. From that point on the Danes had the largest fleet of any neutral power in the Caribbean as well as in Asian trade.

From the beginning of the American Revolutionary War, the Danes sought to exploit their neutral status in global commerce starting with the Atlantic trade. This goal was behind the foundation in 1778 of a new West Indian trading company, the *Kongelige Danske octroyerede Vestindiske Handelsselskab*. (SVEISTRUP, 1942-1944: 386-427) Inspired by the success of the Dutch neutrality, the Danes tried to make Saint Thomas the main commercial hub of the Caribbean. In the first years of the war, Danish Atlantic shipping increased significantly. In 1778, 48 ships left the Danish capital for the Caribbean, 64 in 1779, and 77 in 1780. (FELBÆK, 1997: 94) The fall of Saint Eustatius at the beginning of 1781 gave a big boost to Danish shipping and trade in the Atlantic. In 1781 and 1782, there were over 200 passports delivered for a journey from Denmark to the Caribbean. (ANDERSEN, 2006: 303; FELDBÆK, 1971: 207) The island of Saint Thomas experienced a dramatic rise in trade as shown by the increase of the entrance fees to Charlotte Amalia: from 20,000 rigsdalers before the war to 280,000

in 1782 (multiplied by 14!). (NATHANSON, 1836: 483; VIBÆK, 1966: 87) Saint Thomas extended the scope of its trade not only to exchanges between Europe, the Caribbean and North America but also to South America. (FELDBÆK, 1971: 116)

After war broke out between Great Britain and the United Provinces, Dutch commerce in America experienced a clear setback. Curacao, one of the main places for contraband with Venezuela, faced decline. As Caracas had lost one of its main outlets and was in need of European goods, the *Compania Guipuzcoana de Caracas* started looking for new business partners. As for the Danes, before 1781 they had no commerce with South America, but considering the situation, they started to think about using their neutrality to trade with the Spanish colonies on the mainland. In spring 1781, a negotiation began in Cadiz between Spanish merchants and the Danish consul there about sending ships from Spain to Saint Thomas. This discussion aroused the Danish government’s interest in the opportunity and the profits to be made in South American commerce. In 1782, some high-ranking aristocrats invested money in a sharehold company, the *Handels og Kanalkompagni*. This would be the framework for an expedition of three ships to Venezuela from Hamburg and Cadiz. (FELDBÆK, 1973: 163-164)

On July 1782, the *Gehejmeråd von Gähler* left Altona for Saint Thomas, and from there sailed to Venezuela provided with a Spanish passport and papers from the administration of New Granada. Under the protection of a frigate, she went to La Guaira (north of Caracas) before returning to Saint Thomas. There, the ship recovered her full Danish character and headed for Altona. A few weeks later, the company’s two other ships made the same journey but arrived in Cadiz. (FELDBÆK, 1973: 168-170) During the following years, Danish commerce in Venezuela persisted, even though it was not very large compared to the previous Dutch trade, whereas before the American Revolutionary War it did not even exist. In the years 1785-1786, the Danish flag represented 18% of the departures from Curacao, which was still an important smuggling hub for New Granada commerce. (KLOOSTER, 2003: 206)

In addition to their success in the Atlantic, the Danes took advantage of their neutrality to make impressive progress in Asian trade. Starting in 1620, Denmark participated in Asian trade for a long time through their factory in India, named Tranquebar, on the Coromandel coast. In 1755, the Danes gained a new factory,

Frederiksnagore, in the Bay of Bengal. Danish trade in Asia, India and China was the business of the *Asiatisk Kompagni*, founded in 1732 and enjoyed the monopoly on eastern trade until 1772.

Already during the Seven Years' War, the French ambassador in Copenhagen had informed the directors of the French *Compagnie des Indes Orientales* that Danish ships could cover their business between France and its colonies in the Indian Ocean (Île de France, nowadays Mauritius, and Île Bourbon, nowadays, Réunion).[20] From there, the cargo would be transferred onboard French ships, whereas the Danes could load coffee for Europe.[21] In other words, the French wanted to use Danish neutrality to secure the Atlantic part of a journey to Asia. However, the project collapsed after a brief negotiation because of the Danish reluctance to be used just as a cover for French business and thus run the risk of jeopardizing their own shipping and trade to Asia.

During the American Revolutionary War, neutral status was very fruitful for Danish shipping and trade to Asia as testified by the French consul in Bergen (Norway), Jean-Etienne de Chezaulx. In 1783, he observed that several ships were fitted out in the Danish capital, whereas before the war just one or two expeditions had been organised to China and to India.[22] This statement is confirmed by the study of Danish passports.[23] Before 1778, less than 5% of them were delivered for Asian trade, reaching 11.7% in 1783. (FELDBÆK, 1973: 207) The value of Danish trade with India increased four-fold between the beginning and the end of the American Revolutionary War, particularly after 1781 and the start of the war between Great Britain and the United Provinces. (FELDBÆK, 1991: 24) With the withdrawal of the French and Dutch flags, there were good commercial opportunities for the Danes. But they did not have enough capital and ships to take full advantage of the circumstances, and the *Asiatisk Kompagni* had to seek English and Dutch investments and ships. The Danes even asked the French if they could use some English ships under Danish colours for Asian trade and made the same

[20] A.A.E. [Archives des Affaires Etrangères, La Courneuve, France], C.P. [Correspondance Politique], Danemark, vol. 138, fol. 481-507, "Lettres et mémoire des directeurs de la Compagnie des Indes orientales adressés à Bernis sur les propositions de l'ambassadeur Ogier de faire transporter des marchandises à l'île de France sous couleurs danoises", September 1758

[21] A.A.E., C.P., Danemark, vol. 139, fol. 142, Ogier à Choiseul, 21 octobre 1758, fol. 273-274, The directors of the *Compagnie des Indes* to Ogier, without date but gave by Ogier to Boullongne, *Contrôleur général des Finances*, 14 November 1758.

[22] "Mémoire contenant des détails et des observations ...", 18 February 1783, A.N.[Archives Nationales, Paris] Marine, B3/418, fol. 21

[23] Every expedition beyond the Cape St Vincent (S-O of Portugal) had to have a passport, named an Algerian passport.

request in London for Dutch ships.[24] But there were more transfers of enemy commerce under the neutral Danish flag in private shipping, especially for English merchants.[25] The support of English capital to the most important companies in Copenhagen was the foundation of the great prosperity of Asian Danish shipping and trade in the early 1780s. (BARTON, 1986: 116)

The increase of the Danish shipping to India under cover of neutrality was so spectacular that it worried the British: "our inconvenience is their convenience, and it is they, not we, that prosper by our extirpation of the French and the Dutch".[26] But a closer look reveals a somewhat different picture, as the growth in Indian trade from Copenhagen cannot be found to the same extent at the arrival points in Tranquebar and Frederiksnagore, which did not prosper as they should. Even though theoretically, access to Danish factories in India was forbidden to foreigners, they became important smuggling hubs during the American Revolutionary War. In Bengal, a large share of English business was transferred to Danish ships because of Frederiksnagore's proximity to Calcutta.[27] This Danish factory was established on the west bank of the Hooghly River upstream from the English one; consequently, every ship sailing to Frederiksnagore had to pass through Calcutta. Indeed, some captains preferred to go to English factories where they could sell their cargo at a better price than in the Danish ones.[28]

The wartime context enabled Danish ships to extend their scope to regions they had not visited before the war. Direct trips were organised from Copenhagen to the French Mascarene Islands and to Batavia in the Dutch East Indies.[29] Aside from Denmark, other neutral countries took advantage of their neutrality for starting or extending their Asian trade. Some Swedish ships arrived at the Mascarene Islands,

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[24] A.A.E., C.P., Danemark, vol. 163, fol. 102-103, Sartine to Vergennes, 10 October 1780. For the London government, the neutralisation of the Dutch ships by the Danes would be contrary to "fair neutrality", Suffolk to Morton Eden, 16 November and 28 December 1781, in: (CHANCE, 1926: 206, 207).

[25] In 1778, 4 Danish ships left for Asia, 2 for the *Asiatisk Kompagni*, 2 for private investors. In 1783, there were 19 departures, 5 for the company, 14 for private merchants, (RASCH and SVEISTRUP, 1948: 104).

[26] Anonymous English author quoted in: (FELDBÆK, 1969: 57).

[27] Frederiksnagore, today named Serampore, and Calcultta are very close and belong today to the same urban area, and are today integrated into the Kolkata Metropolitan Development Authority

[28] The then governor of Tranquebar complained about the fact that Danish captains thought they had no business in his factory, (FELDBÆK, 1969: 65).

[29] During the war, three Danish ships arrived in Batavia and two in the l'Île de France, (FELDBÆK, 1969: 63).

whereas Portuguese, Prussian, and Imperial flags also appeared in the Indian Ocean. (MÜLLER, 2011: 156; FELDBÆK, 1971: 124) Danes, like Swedes and other neutrals, also increased their involvement in the Chinese market, particularly in the tea trade. The import of tea to Europe jumped by 42% under the Danish flag, and 35% under the Swedish one during the American Revolutionary War. At that time, both Scandinavian countries were responsible for one-third of tea imports into Europe. (DERMIGNY, 1964: 539; MÜLLER, 2010: 196-198) The majority was reexported as contraband to Great Britain, where prices rose. (RASCH and SVEISTRUP, 1948: 99, 110; BARTON, 1986: 116) In India and in China, as in the Caribbean, South America and the Mediterranean, the neutral Danish had two ways to use their neutrality: they could either carry the trade of belligerents under their flag, or increase their own trade in the hope of selling goods in Europe at a large profit.

Thus, the use of neutrality gave real momentum to Danish global shipping and trade. Their neutral status allowed them to sustain trade with distant places and to open new markets. Finally, in the middle of the 1780s, thanks to neutrality, Denmark became a real global commercial power involved in the worldwide circulation of commodities.

Conclusion

Although war truly disturbed ordinary commerce, we must not consider wartime as merely a disaster for trade because of the burdens belligerents imposed on their enemy’s shipping and trade. In the particular circumstances of wartime, neutral shipping and trade was an opportunity for both belligerents and non-belligerents. The former found ways to continue their commerce even with enemy partners, and the latter improved their shipping and trade by covering the belligerents’ activity. For neutrals on the whole, 18th-century wars may also be considered a fruitful period and a time of progress opening access to new markets. The globalisation of war and trade allowed some unprecedented uses of neutrality in Atlantic and Asian trade. It was then an important obstacle to paralysing an enemy’s economy, whereas interrupting the enemy’s colonial commerce was one of the stakes of the Franco-British wars. Because of the great efforts made by the powerful Royal Navy and British privateers to control neutral shipping and trade, the non-belligerents’ business could be a dangerous and

precarious undertaking. But on the whole, the cover of a neutral flag was one of the only means left to maintain and secure the belligerents’ commerce. That explains the neutral flag’s considerable attraction and its role in worldwide commerce. The non-belligerent powers benefitted greatly from transporting the belligerents’ goods and thus improved their participation in world navigation and commerce. While, of course, neutral ships already served as cover in Europe, in the context of the growth of colonial commerce and of globalisation, it was more difficult to distinguish fair neutral activity from partial ones. The different faces of neutral commerce blurred the difference between lawful and unlawful practices. Whether for commerce with the French by English people naturalised as neutral subjects or by the cover of neutral colours, the legal principles of European neutrality, such as the security given by a neutral flag or the sincerity of transport confirmed by official papers, proved to be not fully suitable for the colonial world. They were claimed by neutrals for covering French commerce and escaping seizure and condemnation. One of the fundamental questions raised by neutral shipping was whether it was possible to determine the nationality of a maritime transport, and if so with what level of fairness and certainty. The cover of neutrality challenged the imperial policy based on the criterion of nationality. The development of commerce outside Europe shows clearly that the flag was not reliable enough. As trade became increasingly global, the flows and trade of goods and people through transnational networks made hunting down unfair neutral shipping and trade ever more difficult. In fact, the problem was not neutrality in itself nor the scope of neutral rights, but rather the improper use of neutrality. This was particularly the case in the Caribbean world, and to a lesser extent in India, where transfers under neutral cover were facilitated by the flow of relations, the proximity of territorial sovereignties, and the difficulty controlling colonial commerce. Finally, the study of neutral overseas commerce shows, first, that the use of neutrality must be considered as a part of the trend in commercial interconnections thanks to the involvement of second-ranked powers; and secondly, how trans-imperial commercial exchanges were deeply rooted such that even for the world’s most powerful navy could not control global trade.

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