

Doomed to Fail?

Scotland and Empire in the Late 17th Century

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In a bold move to assert its economic independence from England, Scotland attempted to establish a colony on the Isthmus of Panama at the end of the 17th century. This essay explains why the failure of that colonial scheme is still vivid in the memory of Anglo-Scottish relations that was reopened during the referendum on Scottish independence in September 2014

The victory of the ‘No’ campaign in the referendum on Scottish independence in September 2014 seemed to have sounded the death knell for the separatist claims of the SNP and its supporters.¹ While it provided the occasion for extensive media coverage of Scottish affairs, the campaign also reopened some old wounds. Among these was the failure of the colony of Darien on the Isthmus of Panama between 1698 and 1700, a project which turned out to be the last colonial venture of Scotland as an independent nation.

The news coverage of the Darien project in the months preceding the 2014 referendum – something quite unexpected for a historical episode dating back three centuries – indicates the lasting impact of this event on the Scottish psyche, an event which was truly an emotional trauma. While certain media outlets such as the BBC² featured informative and objective reporting on the history of the colony, coverage in the pages of some of Britain’s right-wing newspapers³ ranged from mildly derogatory allusions to explicit parallels between the fate of the colony and the disastrous economic consequences to be expected from an independent Scotland. Particular emphasis was placed on the argument that the Darien affair left the country bankrupt, thereby forcing Scotland to accept economic salvation through Union with England in 1707. This narrative was taken up and amplified on the Internet, with some commentators implying that the country had a hereditary inability to manage its economy efficiently.⁴

While it would be misleading to suggest that this issue dominated political debate during the referendum campaign, it is highly significant that an event of such antiquity, born in a very different political and economic context from that of today, was considered worthy of extended debate and analysis.

¹ The landslide victory of the SNP in the general election of May 2015 seems to indicate that the campaign for Scottish independence may not be over yet.

² See the short documentary: “[What Can Scotland Learn from Failed Darien Venture ?](#)», 13 May 2014; Allan Little, “[The Caribbean Colony that Brought Down Scotland](#)”, 18 May 2014.

³ Most examples come from the tabloids, but some can be found in the broadsheets as well, such as in [The Daily Record](#), and [The Telegraph](#).

⁴ While it is quite difficult to assess the real impact of abusive comments in the Press, on the Internet and on social media, it is easy to assess the importance of the regrettable statement of Johann Lamont, Scottish Labour leader during a televised debate on STV News Channel on 26 February 2014: “We’re not genetically programmed in Scotland to make political decisions.”

Despite that historical distance, the colony of Darien has remained very much in the public eye north of the border. This is largely because of the momentous consequences of its failure for both Scottish and English history. Indeed, modern accounts of the episode are often peppered with adjectives such as “catastrophic”, “disastrous” and “doomed”. Indeed, researcher Douglas Watt, author of an authoritative study on the subject, stresses the totemic value of these events for Scottish national identity.⁵ This interpretation is not without its problems, however. By only focusing on the undeniable negative economic and political consequences for Scotland, it tends to narrow the focus of analysis, limiting the significance of Darien to that of a momentous national disaster. It obliterates a more positive conception of the colony as a remarkable and bold attempt. Moreover, this analytical framework tends to be associated with a form of teleology which assumes that the colony was irremediably doomed to fail from the start.

There is also the issue of how the Darien settlement fits into the broader political and economic history of the late 17th century. While for many the events in Panama simply embody the end of Scottish hopes for an independent colony, which in turn set the stage for a more or less reluctant union with England, it is often forgotten that these events took place against a backdrop of intense ideological conflict and commercial rivalry between Scotland and its southern neighbour. Indeed, by the late 17th century, the artificial nature of the union of the two crowns was becoming increasingly clear, as England and Scotland fought for advantage in the expanding colonial market.⁶ The colony’s failure thus underlined the need for closer union in order to ensure the economic development of Scotland and the political survival of both Scotland and England at a time of growing European rivalry and competition in the Atlantic theatre.⁷

An ambitious project for Scotland

In order to understand why the colony of Darien was alluded to during the referendum campaign, let us return to the events leading to the creation of the colony and its subsequent failure. At the end of the 1680s, William Paterson, a Scottish politician and one of the future founders of the Bank of England, advocated the creation of a Scottish trading company. The result was the foundation of the “Company of Scotland Trading to Africa and the Indies” in 1695, following the passage of enabling legislation.⁸ The thinking behind the creation of the Company was that it would promote national autonomy for Scotland and help the country establish itself as a leading player on the European stage, and a worthy rival of England’s East India Company – a trading company holding a monopoly over the English colonial market. The directors of the Company of Scotland decided to fund their future colonial ventures by establishing a joint-stock company.

In 1696, a fundraising campaign was organised in order to finance a colonial project the details of which remained to be established. It was initially intended that the subscription campaign start in London, in order to attract not only Scottish but also English and foreign investors. However, the king, William of Orange, withdrew his support when it became clear that there was strong English opposition to the project.⁹ The subscription books had thus to be closed in London and relocated to

⁵ Douglas Watt, *The Price of Scotland: Darien, Union and the Wealth of Nations*, Edinburgh, Luath Press, 2007, p. 248.

⁶ Despite sharing the same monarch since James I of England and VI of Scotland, the two nations had kept their own affairs apart. The English trade was then regulated by mercantile laws, such as the Navigation Acts (from 1651 onwards) which restricted Scottish access to English markets. This enabled England to maintain its economic domination over Scotland.

⁷ The setting up of the colony of Darien was being planned at the same time as the Nine Years War was drawing to a close. That war had shaken up the political balance of power in Europe and confirmed William of Orange’s legitimacy as king of England and Scotland. From 1701 onwards, the War of Spanish Succession heightened political instability within Europe and put a strain on Anglo-Scottish relations.

⁸ *An Act of Parliament for Encouraging the Scots African and Indian Company*, 26th June 1695.

⁹ Douglas Watt, “The Management of Capital by the Company of Scotland 1696-1707”, *Journal of Scottish Historical*

Scotland.

The subscription campaign in Scotland was a great success: in little more than five months, from February 26th to August 1st, no less than £400,000 was collected; a remarkable sum when set against the dire economic situation in Scotland at that time, with the country weakened by decades of war and a series of crippling famines. Douglas Watt's research in the archives of the Company of Scotland have revealed the astonishing fact that the Scottish subscribers were not – as might be expected – principally merchants, but rather lairds (owners of an estate in Scotland). Members of this latter group accounted for as many as 34% of all subscribers, probably attracted by the prospect of acquiring land in the future colony.¹⁰ Interest in the project did not stop there, however, but extended to members of almost every social group in Scottish society – including women, highly unusual for this period. This extensive support for Scotland's colonial ambitions throughout all levels of society contributed greatly to the project's subsequent resonance in the nation's history.

Colonisation started two years later in 1697. It had been decided to establish the colony in the Darien area near the Isthmus of Panama. Commercial success seemed a near certainty, with the colony located on the strategic band of territory connecting the Atlantic and the Pacific Oceans. However, it turned out that the land earmarked for settlement had already been claimed by the Spanish, who had a substantial garrison of troops in the area to back up their claims. Evidence suggests that the Scottish settlers were aware of the fact but seriously underestimated the extent of this foreign presence. Five ships, carrying 1,200 Scottish settlers, departed from Leith harbour in July 1698, and in November anchored at some distance from Darien, which they renamed New Caledonia. Living conditions for the settlers quickly became horrendous: food supplies ran out, local fish stocks remained beyond reach because of inadequate nets, and to cap it all, the nascent colony was decimated by a malaria epidemic. By July 1699, the surviving settlers had decided to cut their losses and abandon the colony, planning to return to Scotland via Jamaica. With news of the grim fate of the colony not yet having reached the Company back in Scotland, another expedition was dispatched in November 1699. Much to their horror, the second wave of settlers arrived to discover New Caledonia deserted and in ruins. Their fate would be no better than their predecessors. Weakened by food shortages and attacked by Spanish troops, the Scottish settlers petitioned William III for assistance. When the king failed to take action, they had no other choice but to leave the colony of Darien for good in February 1700. Scotland had invested enormous sums of money in the project, and the economic fallout for the country would be considerable.

Never the twain shall meet? Scottish and English imperial ambitions

Some historians consider the enthusiasm triggered by the fundraising campaign for the Darien project as a textbook example of financial mania,¹¹ because the number of Scots who participated in the subscription campaign was abnormally high at the time and for this type of trading company. The most convincing explanation of this subscription frenzy has been provided by David Armitage. He argues that its causes lie in a complex mixture of political and economic factors: the appeal of possessing land overseas, the potential economic benefits of the project for Scotland and the ambitious aim of establishing the country as an equal to other European powers on the international scene.¹²

Such enthusiasm for settling a remote colony can also be seen as an expression of unprecedented

Studies, Vol. 25, N°2, November 2005, p. 101.

¹⁰ Douglas Watt, *op.cit.*, 2007, p. 57.

¹¹ Douglas Watt, *art.cit.*, 2005, p. 6.

¹² David Armitage, "The Scottish Vision of Empire: the Intellectual Origins of the Darien Venture", in John Robertson (ed.), *A Union for Empire: Political Thought and the British Union of 1707*, Cambridge & New York, Cambridge University Press, 1995, p. 102.

Scottish patriotism. The historian Thomas Devine refers to the colony in terms of a “patriotic crusade”.¹³ He stresses two key elements: the importance of the motherland and the prominent role of religious sentiment. The Kirk had actively endorsed the project, sending clergy with the first expedition to provide moral support for the settlers but also to bring the gospel to the indigenous population. That wild continent seemed to offer the prospect of creating a new godly community, a land of plenty and great prospects; a vision diametrically opposed to the grim reality of late seventeenth-century Scotland. Poems and letters of the time celebrated the beauty of the scenery, exaggerating its luxuriant vegetation and exotic wildlife.¹⁴

The strong English opposition to the project helped unite Scottish opinion behind the project. This desire to achieve national unity through such an international venture was reflected in the coat of arms chosen for the Company of Scotland, which represents two black men wearing cloth loins above a motto written in Latin ‘*Qua panditur orbis/Vis unita fortior*’: ‘Wherever the World Extends, United Strength is Stronger’. There was no mistaking either the aims of those behind the project or the high hopes it raised. It seems however that the Darien project had not initially been intended as an exclusively Scottish undertaking. As William Paterson would later point out, the project was conceived within a broader British context; as a way of reinforcing links between Scotland and England, collaborating through this joint venture in a shared imperial project.¹⁵

While it cannot be denied that the failure of the Darien colony was partly due to bad management as well as a faulty assessment of the geopolitical situation on the ground, the fact that England strongly opposed the project may well have played a major role in its demise. William III has often been accused of betraying the Scottish settlers by promoting English interests. It is certainly clear that from the start the king was unhappy with the creation of the Company of Scotland. Part of the reason for this was that the Scottish Parliament had passed the enabling legislation while he was abroad. However, there were deeper reasons for his more or less openly-expressed hostility to the Darien venture; namely his wish to preserve the integrity of the realm and favour English maritime hegemony. Thus, when ceding to the East India Company’s demands, the king was trying to protect the mercantile order and appease the London merchant class. Moreover, in 1699, the English and the Spanish were united against their common enemy, the French king, Louis XIV. Helping Scottish settlers who had established a colony in Spanish territory would have threatened this alliance, destabilised European politics, and undermined English supremacy. This political and diplomatic crisis thus underlined the irreconcilable differences between two nations which were united by a crown but whose imperial ambitions were mutually exclusive.

The politics of Anglophobia

Because there were such high expectations with regard to the Darien project, the news of the settlers’ abandonment of the colony was met with shock back home. This soon turned into conflict and controversy, as Scots sought to apportion blame for the debacle. The image of a nation united in a common purpose lay in tatters. The consequences of the failure of the colony soon extended beyond the borders of Scotland, and put a strain on the country’s relations with England. As Helen Paul observes, Scots were shocked when they discovered the role played by the English in the failed subscription campaign. Surprisingly, the king was not the immediate target of Scottish wrath.

¹³ Thomas Devine, *Scotland’s Empire: 1600-1815*, London, Penguin, 2004, p. 43. It must be noted that there is a thin line between patriotism (the sense of belonging to one nation, the love to one’s country) and nationalism (excessive devotion to a nation, excluding all other nations). The rather hostile English attitude towards the subscription campaign was partly used by William Paterson to urge for more radicalised patriotic values in Scotland. In his article Douglas Watt does not really distinguish between patriotism and nationalism. Douglas Watt, *art. cit.*, 2005.

¹⁴ See for instance Anon., *A letter, giving a description of the Isthmus of Darien [...]*, Edinburgh, John Mackie and James Wardlaw, 1699, p. 5 & p. 7.

¹⁵ Allan MacInnes, *Union and Empire: The Making of the United Kingdom in 1707*, Cambridge, Cambridge University Press, p. 131.

Rather than the sovereign himself, it was his “evil counsellors” who were blamed for having caused the debacle.¹⁶

Such blindness on the Scottish side may be explained by the latter’s unfailing loyalty towards the king. William II of Scotland and III of England had up to then been able to count on their consistent military and financial support for his numerous military campaigns. He appeared to them as the protector of Protestantism and as such, inspired confidence in Scotland. However, when the governor of Jamaica, William Beeston, published by order of the king a proclamation stating that the Scottish colony had endangered diplomatic relations between England and Spain and that consequently no aid would be provided, the part played by the king in the whole business could no longer be denied.¹⁷ When the remaining survivors of the Darien colony fled the settlement and reached Jamaica, they found themselves totally destitute and in order to survive, had to sign indenture contracts.¹⁸ This was deeply resented in Scotland and perceived as yet another example of the symbolic submission of Scotland to England as well as the proof that “their” king was in thrall to English interests.

From 1700 onwards, the failure of the colony was debated at length in the public arena. It is difficult to establish if the Anglophobic sentiment that prevailed in the many pamphlets of the period reflected a uniform and widespread anti-English feeling, or only that of an embittered minority. What is clear however is that the failure of the Scottish colony was exploited by both sides; by those in favour of a closer union with England and those who were strongly opposed to it. For instance, a pamphlet entitled *Caledonia or, The Pedlar Turn’d Merchant* (1700) disparaged the Scottish colony. Questioning the whole argument developed in the pro-Darien literature – the godly mission, the national pride, the necessity to develop Scottish industry and trade, the hope for a colonial empire, etc.–, it painted that ideology in an unambiguously negative light. The text criticizes at length the ambition of Scotland to become equal to its prestigious neighbour. According to the pamphlet, this disgraceful jealousy towards England was merely yet another example of the mediocrity of a nation incapable of progress.¹⁹

From a bone of contention in the public arena, the failure of the Darien colony became a truly political issue with the rise in Scotland of a coalition of Tories and Whigs (known as the Country Party, a political movement opposed to the Court Party which was in power in London), creating a rift between England and Scotland. From March 1700 to January 1701 this coalition presented several addresses and petitions to Parliament. Protesting against the harsh treatment meted out to the settlers, the Country Party demanded official acknowledgement of the legality and legitimacy of the colony. Tensions reached a peak in June 1700 when rioting broke out in Edinburgh in an attempt to free two pamphleteers who had been arrested after having published tracts defending the colony. Such unrest bore witness to the emotional trauma of the Darien failure and the significant role of the colony in the debates pertaining to a potential Anglo-Scottish union. The semantic evolution of the word “Darien”, from a dream to a national failure, to ultimately become the trigger for a populist campaign led by both pro- and anti-independence camps, reveals the continuing power of this three hundred year-old symbol.

¹⁶ Helen Paul, “The Darien Scheme and Anglophobia in Scotland”, *Discussion Papers*, Southampton, University of Southampton, 2009 p. 10.

¹⁷ The colonies of Barbados and New York followed the same orders. Douglas Watt, *art.cit.*, p. 115 ; Letter from James Vernon to Francis Nicholson in Hiram Bingham, “Virginia Letters on the Scots Darien Colony”, *The American Historical Review*, vol. 10, n°4, July 1905, p. 814.

¹⁸ The indenture system was a labour system set up in the American colonies; it was a legal contract between two parties which stated that the indentured servant would work for a certain amount of time (usually between five and seven years) for a settler in exchange for passage to the colonies and the granting of a small parcel of land or of a certain amount of money.

¹⁹ Anon., *Caledonia; or the Pedlar turn’d Merchant. A Tragi-Comedy, As it was Acted by His Majesty’s Subjects of Scotland, in the King of Spain’s Province of DARIEN*, London & Westminster, n.p., 1700.

Conclusion

The failure of the Darien colony has often been considered as a catalyst for Union. The consequences of the colony certainly had an impact beyond the mere colonial failure: the scale of the financial losses, which badly affected the Scottish economy, meant the postponement or, more likely, the definitive end of the country's colonial ambitions as an independent nation. It was the death of the Scottish imperial dream and it was not a good omen for the future preservation of the political and economic interests of the nation. In this context, the Union with England provided a much more favourable economic climate for the development of commercial ventures as well as imperial ventures, and that necessarily meant a closer relationship between the English and Scottish people.

During the negotiations of the Treaty of Union in the 1700s, the Darien issue was debated at length and this ultimately led to an agreement to provide financial compensation, known as the 'Equivalent'. Often wrongly denounced (in Scotland) as barely concealed bribery, the Equivalent was presented as the only valid solution to repair Scotland's badly-damaged economy while preserving the stability of the newly-created Great Britain, which would have otherwise been considerably weakened by Scotland's financial weakness.²⁰

The signing of the Treaty of Union was therefore a compromise between English and Scottish interests. The integration of the latter country within England – an incorporative union consistently rejected north of the border – did not happen and England and Scotland were both to survive within the new state of Great Britain, with Scotland retaining its legal and educational systems. While the treaty was a remarkable example of the way in which a political process could lead to the formation of a new nation state, the majority of the Treaty clauses dealt in fact with the economic aspects of the Union. The Treaty of Union had the bitter taste of defeat for some, but it cannot be denied that it gave Scots access not only to English domestic markets but also to the colonies; offering them economic possibilities they could previously only have dreamt of. The entrepreneurship and determination displayed by the Scots during the Darien venture would resurface in the period after the Union, and the country would play a vital role in both Britain's economic successes and colonial projects in the following two centuries. The negative press coverage given to the colony of Darien by some British newspapers during the referendum campaign of 2014 was therefore not very convincing: those who sought to underline the historical incompetence of Scotland in the political process achieved quite the reverse, as they showed how innovative and daring Scotland and its people could be.

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²⁰ MacInnes has shown that the Equivalent clause was very unfavourable to Scotland. At the time of the Union, England's debt was extremely high: money had to be found elsewhere to pay the Equivalent, and this was done by raising taxes in Scotland. Scotland actually paid part of its own compensatory measure. MacInnes, *op.cit.*, p. 320.