

ENGLAND'S NORTHERN QUEST: COMMERCIAL AND
POLITICAL FACTORS LEADING TO THE FOUNDATION
OF THE EASTLAND COMPANY

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ABSTRACT

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This thesis is a study of Tudor England's foreign and domestic policy alterations, from the viewpoint of the important factors which led to the advent of regulated trade in the Baltic and the foundation of the Eastland Company in 1579.

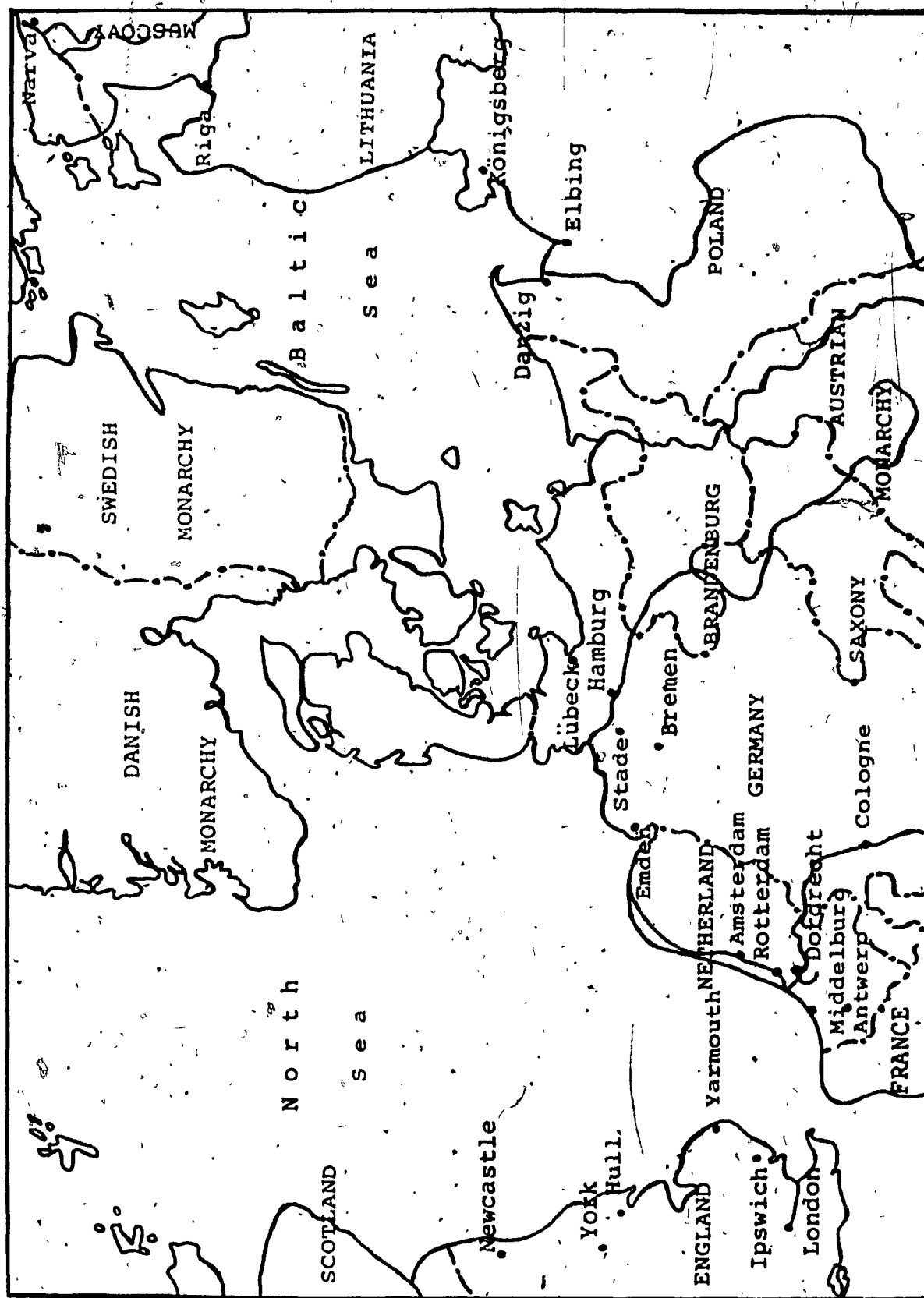
At the time of Tudor England's greatest weakness, she became involved in an intense struggle with Spain which compelled her to seek new ways and means to assure her continued survival as an independent power. In many ways, the Elizabethan era was the turning point in that endeavour. It was a time which witnessed the application of deliberate policies designed to lessen England's commercial dependency on foreigners and to develop her economic self-sufficiency and military capabilities. But these efforts also sharply heightened the long-standing Anglo-Hanseatic rivalry, for the Hanse energetically barred England's commercial expansion into northern Europe--that area wherein lay the greatest demand for English cloth and the most important source of England's vital strategic imports.

In this struggle the Baltic--the region known as the Eastland--came to assume increasing importance, and England's quest for unimpeded access to this highly unstable but vitally important market was greatly facilitated by the founding of the Eastland Company. By having organized themselves, Elizabeth's Eastland merchants were not only better able to resist the inimical maneuvers of the Hanse but, through concerted actions and policies, turned to their advantage the growing hegemony of Poland in the Baltic, and established a permanent staple at Elbing.

In this manner, England's vital Baltic trading connection was preserved and, in the larger context of the escalating Anglo-Spanish conflict, the supply of strategic imports needed for the defence of the realm assured.

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NORTHERN EUROPE ABOUT 1560
Marketing centres of the Merchants Adventurers and of the Eastland merchants

INTRODUCTION

The Tudor period witnessed fundamental changes in England's circumstances; changes which inaugurated a new era in England's relations with the continent, and which led, accordingly, to the adoption of new attitudes towards her neighbours that were to persist for more than three hundred years after the last Tudor's death.

These changing circumstances were greatly exacerbated by the Habsburg-Valois rivalry. With Spain's ascendancy in that rivalry, as well as the growing absolutist trend in her presence in the Low Countries with which England had long established and vitally important commercial relations, England's position became increasingly precarious. At the time of Tudor England's greatest weakness, she became involved in an intense struggle with Spain upon the outcome of which depended her very existence as an independent power. With the disruptions and final closure of the international mart at Antwerp, new ways and means had to be found to assure England's continued economic well-being without which she would neither have the ability to strengthen nor defend the realm.

In many respects the Elizabethan era was the turning point in that struggle. It was a time which witnessed the application of deliberate policies designed both to lessen

England's commercial dependency on foreigners and to develop her economic self-sufficiency to such a degree that free rein could be given to the pursuit of domestic and foreign policy considerations without having to become involved in continental entanglements. It was a time of economic expansion, of greater commercial and maritime initiatives, and of an energetic search for new markets overseas. Indeed, the development of her foreign trade during the second half of the sixteenth century, is one of the notable demonstrations of Elizabethan England's economic growth. To a large extent, this was also a necessary precondition of her later importance in world economy and politics.

But in order to develop her relatively backward economy, which had been so closely tied to the now threatened commercial relations with the Netherlands, and in order to strengthen her military forces (particularly the navy upon which so much depended in view of the escalating conflict with Spain), England had to confront the powerful Hanseatic League. The Hanse had long played a predominant--albeit troublesome--middleman role in England's foreign trade, and energetically barred her commercial expansion into the lands lying around the North and the Baltic Seas wherein lay the area of greatest demand for English cloth exports, and the most important source of England's vital strategic imports.

Despite England's early experiences in the organization of her own trading companies (the Merchants of the

Staple, the Merchants Adventurers), England's vital trade with northern, central, and eastern Europe had for a long time remained in the hands of foreigners, and was channeled overwhelmingly through the indispensable international mart at Antwerp. It was only in the Elizabethan era, when the Netherlands were engulfed in the flame of civil war and Antwerp was closed to the English merchants, that England's prolonged and determined struggle to break down the Hanseatic League's monopoly, and to achieve a more independent position in her foreign trade, met with any degree of success.

In this struggle, the lucrative Baltic market loomed of particular importance. The Baltic not only readily absorbed English cloth, but also yielded, down the centuries, the indispensable raw materials, foodstuffs, and naval stores upon which depended the economic well-being and very independence of England.

In many ways England's Baltic policy represented an axis in her struggle with the Hanse, for running parallel with her attempts to restrict the Hanse's privileges within her own borders were the persistent attempts on the part of Elizabeth's Eastland merchants to obtain and maintain a permanent staple, an entrepot for England's vital trade in the Baltic. But the Baltic was a highly unstable area in which warfare was endemic. Elizabethan England's commercial and foreign policy aspirations had to be formulated in the light of these considerations, as well as the fact of the

escalating Anglo-Spanish conflict which increasingly threatened an invasion of England.

The present work deals with this period during which England succeeded in eliminating the Hanseatic intermediaries, broke the League's monopoly of the Baltic trade, and set up a trading company of her own to develop commercial exchange with the Baltic countries. The terminal date of this study is the close of the sixteenth century, since by that time England's export of cloth to the Baltic began to decline, partly as a result of increasing Dutch competition and partly through the development of a local cloth industry in the Baltic. The overall object of this work is to deal with the broad aspect of Anglo-Baltic commercial and political relations from the point of view of England's economic development and security needs, against the background of Elizabethan England's escalating conflict with Spain. While the considerations leading up to the foundation of the Eastland Company in 1579 represent in many ways the climax to this study, and as such are duly stressed, it is also intended to deal with some of the more salient points of the generally well-known socio-economic aspects of the commodities, mechanisms, and problems in England's vitally important Baltic trade.

CHAPTER I

ENGLAND'S CHANGING CIRCUMSTANCES

CHALLENGE AND RESPONSE

The events which inaugurated a new era in England's relations with the continent can be viewed as a progression from 1453 when England lost the last of her French lands except for Calais. Twenty-four years later, England's ancient ally, the Burgundian ruler of the Netherlands, finally yielded to France possession of the Somme towns, Picardy and the ancestral Duchy of Burgundy itself. In 1492, another old ally, the Duchy of Brittany succumbed and was annexed to the French crown. Together, these events transferred into French hands the entire southern coast of the Channel, from Brest to Boulogne--a wide belt of possessions and friendly satellite territories that had served England as a land buffer against invasion.

The absorption of the Netherlands into the mighty Habsburg aggregate was equally as ominous. Their ruler succeeded to the Spanish throne in 1516 and was elected as Charles V to the Emperorship of the Holy Roman Empire in 1519. "This 'filling up of political interstices' between the Loire and the Ems, this absorption of a welter of semi-independent fiefs into the two great rival monarchies of Valois and Habsburg, finally ruled out any hope of England

recovering her lost possessions or even resuscitating her lost satellites."¹ England's frontier was now drawn back to her own south-eastern shores.

This represented a fundamental change in England's circumstances; circumstances which had greatly altered England's relations with the continent, and which led, accordingly, to the adoption of new attitudes towards her neighbours. The lack of men and lack of money, and the almost simultaneous emergence of these two great continental military powers in western Europe, forced the Tudors into more insular and more defensive policies. What made such a change in England's policies at all possible, however, was the growth of an undying jealousy between these continental rivals, as well as the fact that their ambitions and energies were concentrated, from 1494 until almost 1559, upon the Italian Wars.

When the Italian Wars ended, the storm-centre moved northwards once more, to the middle Rhine and the Low Countries. England, again, had a partial reprieve because of the ensuing French domestic troubles and wars of religion, and because of Spain's general nervousness at French rivalry and her preoccupation with the revolt of the Netherlands. But the fundamental threat to England's security, because of that rivalry, remained very real indeed. As R. B. Wernham noted:

¹R. B. Wernham, Before the Armada: The Growth of English Foreign Policy 1485-1588 (London: Jonathan Cape, 1966), p. 12.

To the Habsburgs, an English alliance with France could close the sea route between Spain and the Netherlands; if it also set free French forces to conquer Savoy and Milan, it might in addition snap the Italian link between Spain and the Empire and thus sever the Mediterranean parts of the Habsburg aggregate altogether from the Germanic and Netherlandish parts. To the French, an English alliance with the Habsburgs would certainly expose their northern coasts to invasion and might also enable the Habsburgs to mount an offensive from the Low Countries as well as in Italy. Both sides, therefore, appreciated the value of English support and either might be tempted to try to secure it by force if ever such an attempt should be made practicable by a temporary loss of power or lapse in vigilance on the part of its rival, or by an evident weakness and lack of unity in England itself. Thus it was that the weakness and division of England between 1547 and 1560 made the British Isles, rather than Italy or the Netherlands, for a time the storm-centre of Habsburg-Valois rivalry, and that the collapse of the French monarchy in 1585 plunged Elizabethan England finally into the long war with Spain.

While the overwhelming motive of Tudor foreign policy was national territorial defence,² England, at Elizabeth's accession, was at such a low ebb of weakness and demoralization that the success of even this elemental policy was in doubt. The decisions demanded of Elizabeth's government were not easy ones. They knew that they could not compete on land with Habsburg and Valois in the way that Henry VIII and Wolsey had tried. It was debatable whether they had sufficient means to conquer and hold Scotland, let alone France. Indeed, the loss of Calais had dramatically emphasized the lesson that the days of continental adventure were over. They had learned, too, that they could not rely

¹Wernham, Before the Armada, pp. 13-14.

²P. S. Crowson, Tudor Foreign Policy (London: Adam & Charles Black, 1973), pp. 7-8.

on foreign alliances to overcome their own weakness. Henry VIII had discovered how little foreign allies were prepared to do for England. The Duke of Northumberland and Mary had shown how easily the friendly advances of either of the great continental monarchies could prove almost as dangerous to England's independence as their hostile assaults.¹ Yet, England could not relapse into passive insularity. As will become clear later, Tudor England was never able to cut loose entirely from continental entanglements because of strategic, dynastic, commercial, and religious reasons. Indeed, because of these very reasons, in the face of the changing circumstances confronting England, new ways and means had to be found to assure her continued survival as an independent power.

The solution to England's predicament appeared readily enough. It was apparent that because of the general backwardness and domestic instability at the beginning of Elizabeth's reign, England's land forces could be no more than a second line of defence in the upcoming struggle. The first line, now more than ever, had to be the navy. "It is the flower of England's garland," the Ambassador Nicholas Throckmorton had told Mr. Secretary Cecil, " . . . it is your best and cheap defence, and most redoubted of your enemies and doubtful friends."² William Cecil, Principal Secretary and later Lord Treasurer, was himself keenly aware of this necessity and readily placed his main reliance on

¹Wernham, Before the Armada, p. 239.

²quoted in Wernham, Before the Armada, p. 279.

maritime power. However pressing other matters might be, "to consider the things of the Admiraltie" is one of the things to be "immediately performed," he stated in one of his memorials shortly after coming into power;¹ and he never lost sight of this prime necessity. Under his influence, Elizabeth and her government did much to expand the recent efforts of Mary and her lord admirals (Lord William Howard of Effingham and Edward Piennes, Lord Clinton) to upgrade the navy,² and the policy of fostering a mercantile marine was given a prominence which it never had before. Indeed, Cecil was sufficiently far-sighted to attend to all the sources of permanent maritime prosperity and, as will be indicated below, no side of commercial and industrial life was left unaffected by the policy he devised for strengthening the navy, increasing shipping and employing the seamen of the country.³ English sea power was then transformed from a coastal defence force ancillary to the army into an independent long-range weapon, cheaper and more effective than the great land armies that would have been required for continental defence or conquest. And the more the defensive

¹P.R.O., S.P.Dom. Eliz. 1, vol. 1: Nov. 18, 1558, no. 3, quoted in W. Cunningham, The Growth of English Industry and Commerce in Modern Times, vol. 2 (Cambridge: Cambridge University Press, 1903; reprint ed., New York: Augustus M. Kelley, Publishers, 1968), p. 63.

²For an account of the impressive strides taken to improve the navy during the latter part of Mary's reign, see Tom Glasgow, Jr., "The Navy in Philip and Mary's War, 1557-1558," The Mariner's Mirror, vol. 53, no. 4 (Nov., 1967), and idem, "Maturing of Naval Administration 1556-1564," The Mariner's Mirror, vol. 56, no. 1 (Jan., 1970).

³Cunningham, English Industry and Commerce, vol. 2, pp. 63-64.

and offensive value of the navy was demonstrated and appreciated, the more Elizabeth was able to detach herself from the affairs of the continent. England had found the answers to the problems posed by the loss of her French lands and continental satellites.¹

But, for a variety of reasons, the Tudor navy, let alone the land forces, could never be relied upon solely to provide a complete insurance against invasion from the continental monarchies. England's military effectiveness depended to a large extent on vital continental imports, especially the new weapons and firearms which were much more costly and complicated than the old. They were the products of a skilled industry of which England had as yet only the beginnings. As Lawrence Stone noted:

The dependence of English military power upon the munitions industry of the Rhineland and north-western Europe was a source of perpetual anxiety. . . . In the great war of 1542-50 England had been obliged to import almost every military requirement: troops from Germany and Italy, money from Antwerp, shipping and naval stores from the Baltic, anchors, guns and gunpowder from the Low Countries, small arms and equipment from Milan and Brescia, food for the armed forces from Danzig and Holland, bowstaves from Switzerland and the Hansa.²

Faced with the danger of an imminent attack by a combination of Roman Catholic powers, the state of England's defences were deplorable. The most pressing need, at the moment of Elizabeth's accession, was a means of supplying the realm with ordinance.³ Cannons for the ships and castles, small arms for the footmen, gunpowder and balls for

¹Wernham, Before the Armada, p. 24.

²Lawrence Stone, "State Control in Sixteenth-Century England," Economic History Review, vol. 17 (1947), p. 112.

them all forced Elizabeth to look abroad for war materials, as well as for men-at-arms. But the loss of Calais had deprived England of her principal arsenal. Supplies of saltpetre and sulphur for gunpowder, and of iron and copper for ordinance, as well as essential naval commodities, could only be procured through ports that were now controlled by prospective enemies.¹ More than ever, England had to rely on Antwerp, the "Warehouse of all Christendome", to provide these weapons of war and national defence. Until the military forces were rearmed and reorganized, and a native armaments industry sufficiently developed to supply them, England had to maintain a dependence upon the continent even to the point of directly circumscribing her foreign policy.

England's dependence upon the continent, in particular upon the indispensable international mart at Antwerp, became increasingly difficult to maintain in view of the threat posed by Spain's "domestic policy" in the Netherlands. Philip II intended to be the absolute and Catholic master in all his many territories, and had sent the Duke of Alba to crush finally the strong opposition that this policy had provoked in the Netherlands. It was a turning-point in western European history and represented a drastic change in the character of Spanish rule in the Netherlands. The

³Cal. S.P.Dom., 1547-1580, Eliz., vol. VII, no. 5, (Oct. 4, 1559).

¹Cunningham, English Industry and Commerce, vol. 2, p. 57.

struggle of the Netherlanders against Spain threatened to disturb, if not gradually close altogether, the main highway of trade between England and continental Europe. England feared not only for her essential defence procurements, but also for her main market of trade and the eventual impact this would have on her economy.

Even more disturbing was the strategic menace of Alba's troops--his ten thousand tercios from Spain were soon augmented by additional levies of German, Italian, and Walloon reinforcements eventually to number over fifty thousand troops. As R. B. Wernham noted:

. . . so marked a shift in the centre of gravity of Spanish military power could not remain of purely domestic import. The French were alarmed. Elizabeth, who had already manifested anxiety at the absolutist trend of Spanish government in the hitherto harmless and largely self-governing Low Countries, could no more allow those countries to be turned into the main base of Spanish military power than she had been able to let Scotland become a French citadel. To be prepared to defend the Channel against France was burden enough, without having Spanish armies controlling the shipping of Holland and Zeeland, and the resources of Flanders and Brabant, with only the Narrow Seas between them and the nerve centres of English government, sea power, and trade.¹

Moreover, this new alarm from Spain did not end English anxiety about France. Coligny, Louis of Nassau, and Anjou were all too ready to heed the call of the Netherlands' rebels to save them from the Spaniards. The specter of French armies extending French control of the coast from

¹R. B. Wernham, "Elizabethan War Aims and Strategy," in S. T. Bindoff, J. Hurstfield, and C. H. Williams, eds., Elizabethan Government and Society (London: University of London, The Athlone Press, 1961), p. 343.

Calais to Flushing or the Ems, was, as previously indicated, even more dangerous than Spanish armies. England was in a dilemma--as the Earl of Sussex put it "the case will be hard with the Queen and with England if ever the French possess or the Spaniards tyrannize in the Low Countries."¹

While Elizabeth's government never acquiesced to Spain's military presence in the Netherlands, it did, however, consider it desirable for Spain to maintain a political presence because an independent Netherlands would be a weak and inviting conquest for France. A Spanish military presence in the Netherlands was certainly intolerable, but a French one would be worse. Clearly, England could not avoid involvement in the affairs of the channel seaboard.

The demands upon Elizabeth were enormous. She had neither the means nor the inclination to expel Alba's army by force of arms and to restore the provinces to their ancient liberties and former harmlessness. In view of these threatening developments, Elizabeth was forced, more than ever now, to pursue the same policy in the Netherlands which had proved so successful in France; a policy of establishing relations with the elements of disorder so as to protect and further England's interests and security needs.² Also, by

¹Cal. S.P.For., 1578-79, no. 148 (Earl of Sussex to Walsingham, Aug. 6, 1578).

²J. B. Black, *The Reign of Elizabeth 1558-1603* (Oxford: At the Clarendon Press, 1936; reprint ed., 1949), p. 119.

diverting trade from Antwerp and by encouraging the privateers in the Channel, to sever the Netherlands' sea communications with Spain, she could hope to make Alba's position untenable. In all, it was a wisely chosen policy under the circumstances, the aim of which, according to P. S. Crowson:

. . . was to persuade Philip that Spain had more to gain from the trade, the resources and the military support of a semi-autonomous Netherlands than from prolonged warfare for Spanish domination. Elizabeth wanted Spain to withdraw the Spanish army and to permit a "politique" degree of toleration for the sake of public order, but Spain was also to retain suzerainty over the Netherlands and be ever ready to invade France across the Pyrenees if the French dared to invade the Netherlands. Elizabeth's aim was to prevent Spanish victory in the Netherlands (but not to cause Spanish defeat) until Spain had come to accept this conclusion.¹

Unfortunately for England, Alba soon realized that Elizabeth was unquestionably, if unofficially, intervening on the rebels' side in Spain's struggle with the Netherlands. This prompted him to suggest using the Spanish Netherlands as a spring-board for a counter-attack against England. As will be developed further below, England responded with the first overt, hostile action when, in December 1568, Elizabeth confiscated a large shipment of bullion dispatched by Philip's Genoese bankers for the payment of Alba's troops. Alba retaliated with an embargo on all trade with England and seized English goods. Cecil, in turn, imposed heavy penalties on Spanish property in England. In the resulting escalation, Spain fomented and

¹Crowson, Tudor Foreign Policy, pp. 191-192. See also Wernham, "War Aims and Strategy," pp. 340-346.

supported English discontent while Elizabeth continued her support of the rebels.¹

Relations between England and Spain were very much disturbed; moreover, Hawkins' sea exploits in the sixties had only exacerbated Anglo-Spanish relations to the point where it was no longer possible to disguise the fact that England and Spain, while nominally at peace in Europe, were in a state of war "beyond the line."² Embargoes and counter-embargoes put a stop to the usual flow of commerce. The difficulties of trade with the Netherlands had sharply reduced Elizabeth's customs revenue, and Alba's rule had so dislocated the money market at Antwerp that loans could no longer be raised there.³ Indeed, the incessant seizures and reprisals on both sides were to prove so disruptive to England's vital trade links with Antwerp that her quest for economic self-sufficiency became all the more urgent. These events also came to sound the death knell of Antwerp's former greatness and international indispensability. England was forced to seek alternate "vents" for her cloth trade, and to seek, directly at source, the vital raw materials, foodstuffs, manufactured goods, and naval commodities that were so indispensable to her economic well-being and security.

¹Wernham, Before the Armada, pp. 296-297.

²Black, The Reign of Elizabeth, p. 125.

³Wernham, Before the Armada, p. 297.

CHAPTER II

TRADE AND ECONOMIC POLICY

Economic Limitations and the Importance of Antwerp

The development of Elizabethan foreign policy in the light of the above mentioned circumstances, was as much a cause as a result of England's domestic situation. The exigencies of the time demanded bold initiatives in foreign affairs, but these initiatives were circumscribed by the realities of her economic and military limitations.

England, at the accession of Elizabeth, was a relatively backward country. In the production and consumption of wealth, in industrial technique, and in scientific skill, she was notably behind her nearest neighbours on the continent.¹ Although rich in unused physical resources--idle land, unexploited woodlands, and unworked minerals--chronic underemployment of labour was one of her basic problems. England's agriculture, seriously impeded by the perpetuation of communal rights over land, was not expanding sufficiently to provide men with all the food, the farms,

¹Black, The Reign of Elizabeth, pp. 236-37. See also J. U. Nef, "The Progress of Technology and the Growth of Large-Scale Industry in Great Britain, 1540-1640" in E. M. Carus-Wilson, ed., Essays in Economic History, vol. 1 (London: Edward Arnold Publishers Ltd., 1954; reprint ed., 1961).

and the employment they needed; and industrial development was too slow to make up for the deficiencies of agriculture. The methods of production were simple and the units of production were small. It was an economy heavily dependent on foreign sources for the products of skilled industry, for improved industrial and agricultural methods, and to some extent, for capital; but one in which foreign labour and business men were met with bitter hostility.¹

Only in her cloth and woollen industry did England have an economic asset which was a pronounced advantage over her rivals. English sheep and wool were generally recognized as the best in the world.² The economy during the first half of the sixteenth century was concentrated overwhelmingly upon that single product handled through a single port and directed along a single trade route. Since the time of Edward VI, the prosperity, indeed, the very existence of England, depended to a very large extent upon the export of cloth through London to the great international mart of Antwerp, where the English consumer obtained those import goods and manufactures he demanded.³

¹F. J. Fisher, "The Sixteenth and Seventeenth Centuries: The Dark Ages in English Economic History?", *Economica*, new series, vol. 24 (1957), pp. 16-18.

²Black, *The Reign of Elizabeth*, pp. 236-237. See also P. J. Bowden, "Wool Supply and the Woollen Industry," *Economic History Review*, ser. 2, vol. 9 (1956-57), pp. 44-58, who points out that already in the early sixteenth century, as one of the many consequences of the enclosures for sheep-farming, it was noticed that English wool was losing its reputation for fineness to Spanish wool and by the end of the century, the latter was almost certainly superior.

³Stone, "State Control," p. 104.

For all intents and purposes, England exported wool, raw or manufactured, and little else. In the year 1565, cloth alone comprised seventy-eight percent of the total value of all exports, and all types of wool, wool-fells, and clothing amounted to over ninety percent. Mineral exports-- basically the ancient ones of lead and tin--accounted for less than five percent of the total, and coal under one percent.¹

This single commodity affected the whole pattern of internal economy. That this was so is clearly indicated by the traditional saying of woolmen and clothiers:

I thank my God and ever shall
It was the sheep that paid for all.²

Indeed, the attraction of the wool trade for so many different classes of persons suggest that there were few better investment opportunities available.³

As the basis of England's foreign trade, the export of wool and clothing material was the main means of securing a favourable balance of payments and a net inflow of bullion.⁴ It represented the basic source of national wealth, and the trade was powerfully organized under government favour. But

¹ Lawrence Stone, "Elizabethan Overseas Trade," Economic History Review, ser. 2, vol. 2 (1949-50), p. 37.

² B. W. Clapp, H. E. S. Fisher, and A. R. J. Jurica, eds., Documents in English Economic History (London: G. Bell & Sons Ltd., 1977), p. 31, no. 18.

³ P. J. Bowden, The Wool Trade in Tudor and Stuart England (London: Frank Cass & Co. Ltd., 1971), p. 84.

⁴ *Ibid.*, p. xvi.

the export trade in cloth at Elizabeth's accession, so far as it was conducted by the English merchants, had a very restrictive market. It was almost exclusively limited to those ports in western Europe, from Cadiz to the Zuider Zee, which were directly accessible to the channel. More than two-thirds of England's traffic concentrated on Antwerp alone, and most of the remainder on France and the Iberian peninsula. Moreover, the bullion needed to cover the deficit trade balance with France was acquired through the favourable balance with the other two areas, and this depended overwhelmingly on England's huge cloth exports.¹ The fundamental fact of England's overseas commerce was its dependence on Antwerp, which occupied an extraordinary and unique position as entrepôt of world trade, and international foreign exchange and financial mart.

Since medieval times the Netherlands, situated at the extremity of the commercial axis of France and the North German plain, and fronting England along the whole length of their coasts, formed the meeting place of the great lines of communication of the West.² Antwerp's early economic development made it the heir to Brugge and "the pivot of the great European movement of exchange of northern for southern product, at the same time, the port for the Flemish and Brabant textiles and for the Liège and Hainaut

¹Stone, "Elizabethan Overseas Trade," pp. 40-41.

²On this subject see Henri Pirenne, "The Place of the Netherlands in the Economic History of Medieval Europe," Economic History Review, vol. 2 (1929-30), pp. 20-40.

metals;" with the establishment of the Portuguese and Spanish headquarters at Antwerp for commercial exchange with the North, and offices of the major German and Italian banking concerns, the city came to occupy its unique place in European commerce.¹ By the mid-sixteenth century, Antwerp had become not only the financial centre, but the entrepôt of the western world; the market for Portuguese spices, Italian woolens, silk, small arms and alum, South and West German metallurgical goods, the manufactures of the Low Countries, Baltic timber, pitch and cordage, American silver, and, above all, English cloth.²

It was upon the looms of Flanders that the majority of England's exported wool was woven; it was through the international distribution network of Antwerp that English cloth was dispatched not only in the Netherlands themselves, but throughout Germany and Eastern Europe, Italy and the Levant.³ Kerseys woven at Newbury in Berkshire and distributed by an Italian firm at Antwerp in the 1540s have been traced as far afield as Hungary and the Turkish Levant.⁴

¹Pieter Geyl, The Revolt of the Netherlands, 2d ed. (London: Williams and Norgate, 1932; reprint ed., London: Ernest Benn Ltd., 1958), pp. 41-43.

²See the description of Antwerp during its heyday in Ludovico Guicciardini, "Antwerp the Great Market," trans. James Bruce Ross and C. Pennock, in James Bruce Ross and Mary Martin McLaughlin, eds., The Portable Medieval Reader (New York: The Viking Press, 1963), pp. 185-202.

³F. J. Fisher, "Commercial Trends and Policy in Sixteenth-Century England," in Carus-Wilson, ed., Essays in Economic History, vol. 1, pp. 154-155.

⁴F. Edler, "Winchcombe Kerseys in Antwerp, 1534-44," Economic History Review, vol. 7 (1936), pp. 57-62.

Since English cloths were among the major commodities handled by the Flemish city, it is hardly surprising to see a connection between the spectacular development of Antwerp and the growth of London's trade.¹

From Antwerp in return, English merchants bought with the proceeds of their cloth sales all the luxuries, vital manufactured goods, and raw materials that England's backward economy lacked. The facility with which goods from every part of the known world could be purchased at Antwerp, and the very nearness of the market proved an irresistible attraction. A hundred miles or less across the Narrow Seas from London, the trade would be carried in small ships comparatively inexpensive to build and run. Low capital outlays, low running costs, and high profits ensured that as Antwerp rose, it would draw to itself the overwhelming proportion of England's overseas commerce. Fewer merchants, especially those from London or the eastern half of England had any interest in other, usually less lucrative, trades to more remote places.² "If English men's fathers were hanged at Andwarpes gates," ran a contemporary Flemish proverb, "their children to come into that towne would creepe betwixt their legges."³

However, England's lucrative overseas trade, which basically consisted of the barter of a single commodity for

¹Fisher, "Commercial Trends and Policy," pp. 154-55.

²Black, The Reign of Elizabeth, p. 185.

³P.R.O., S.P.D. Eliz. 1, vol. XXXVI, no. 34, as quoted in Fisher, "Commercial Trends and Policy," p. 154.

the goods produced by Europe's technical skills and the products transshipped from the East and South, had a seriously unbalancing domestic impact. It had spawned an enormous industrialization involving a great agrarian revolution and the transformation of the whole pattern of internal economy.¹ The dislocation of agrarian society, the drift of the clothing industry from the old corporate towns to the countryside to escape guild restrictions and the periodic violent trade fluctuations played a large part in creating extreme social and economic insecurity and hardship. This situation was further exacerbated by the concentration of commercial activity and overseas trade in the hands of London capitalists. Much of the vitality of the chief provincial towns was sapped and many principal seaports entered a period of rapid decay.²

Since the time of Henry VIII, London had gained considerably at the expense of the outports. This was largely as a result of the credit resources and political influence of the capital, the manipulation of the Merchants Adventurers Company by the great City magnates, and the concentration of traffic along the London-Antwerp route due to the rise of the latter city to its unique and dominating position in world trade. By mid-century, London's relative share of traffic had increased from about seventy percent to ninety percent of the

¹ Stone, "Elizabethan Overseas Trade," p. 39.

² Ibid. See also F. J. Fisher, "The Development of London as a Centre of Conspicuous Consumption in the Sixteenth and Seventeenth Centuries," in Carus-Wilson, ed., Essays in Economic History, vol. 2; and (although some ports such as Bristol, King's Lynn, and Newcastle continued to prosper) the classic example of Southampton, demonstrating the way in which

whole, while the outports experienced an absolute decline of forty percent.¹

The growing importance of the London-Antwerp route also had a largely negative impact, particularly on the state of England's shipping industry. England's long-distance, foreign trade declined considerably, while other nations were actively engaged in opening-up and tapping the markets of the Indies and the New World. As was indicated previously, the short safe trips to Antwerp, where goods from all parts of the world could be obtained with ease, were much preferred to the costly, speculative, distant trade ventures which tied up capital for long periods of time.² Cecil himself had recognized this depressing trend in England's shipping industry when he noted that:

The navy of england was hertofore occupied by merchantes into Levant, to spayn, to portyngall, and now the commodities which english shippes wer accustomed to bryng thence is for the most part fovnd in Antwerp, from which place on hoye will bryng as much in one yere as x merchantes shippes war wont to bryng from the other placees in ij yers.³

London tended to out-rival the outports, as described by Alwyn Ruddock, "London Capitalists and the Decline of Southampton in the Early Tudor Period," Economic History Review, ser. 2, vol. 2, no. 1 (1949).

¹Stone, "State Control," pp. 105, 119.

²Ibid., p. 107. See also Ralph Davis, The Rise of the English Shipping Industry in the Seventeenth and Eighteenth Centuries (London: Macmillan & Co. Ltd., 1962), p. 3.

³P.R.O., S.P.D. Eliz. 1, vol. XLI, no. 58 (Notes by Burghley on Trade, Fishing, and Shipping, 1581 (?) as printed in R. H. Tawney and Eileen Power, eds., Tudor Economic Documents, vol. 2 (London: Longmans, Green and Co., 1924; new issue, 1953), p. 125.

The decay of English shipping was not confined to long-distance trade alone. While English merchants did not participate in the transport of overseas commodities to Antwerp, their share in the short-distance reshipment activities across the channel was limited. Despite nearly a century of navigation acts, the transport to handle this trade was mainly foreign-owned.¹ Indeed, England's shipping industry had decayed so markedly that by 1544 her naval power depended on foreign shipyards. In that year, fifty percent of the tonnage for the fleet was foreign built and most of that remained under foreign ownership.² Even the merchant, Thomas Barnabe, was so moved by the decay that, in 1552, he lamented the "discommoditye to this realm," in a note to Cecil, over the fact that he had counted with his own eyes thirty-seven hoys sailing out of Rye at a single tide, laden with wood and timber, and "never an English maryner amongst them."³

But the dominant position of cloth in England's internal economy during the first-half of the sixteenth century, and the over-reliance upon this single export commodity handled increasingly through a single port and directed along a single trade route, did more than simply

¹Stone, "Elizabethan Overseas Trade," pp. 41-42.

²Based on the calculation of data in L.P. Henry VIII, pt. II, no. 502, by Stone, "State Control," p. 107.

³"Thomas Barnabe, Merchant to Cecil on the increase of Shipping and other matters, 1552," as printed in Tawney and Power, Tudor Economic Documents, vol. 2, p. 100.

unbalance England's economic development. The importance of cloth in England's export trade made the health of her economy dangerously dependent on the state of the foreign market; all the more dangerous since that market had concentrated itself on Antwerp. Any temporary suspension of shipments to Antwerp would cause considerable unemployment and hardship, especially in the clothing countries, as clothiers had no hesitation in laying off large numbers of spinners and weavers. The impact of a trade crisis would fall heavily on those least able to bear it, and in the absence of a police force, or standing army, popular discontent or any small disturbance could quickly reach alarming proportions.¹ Indeed, the violent trade fluctuations of the forties played a large part in creating a climate of extreme insecurity, misery, and social hardship.²

Forestalling social unrest--to keep order--was as paramount an aim of Tudor governments as was their self-evident concern for the defence of the realm. Moreover, these problems were closely connected. On the one hand, foreign rivals could easily exploit internal unrest in vulnerable areas of the country (as was demonstrated by the revolts of 1549 which weakened England in her campaigns against France and Scotland);³

¹P. Ramsey, Tudor Economic Problems (London: Victor Gollancz Ltd., 1966), pp. 86-87.

²Stone, "State Control," pp. 106-107. Much of the essential information on the economic, social, and political problems of the mid-Tudor period is presented in P. Ramsey, Tudor Economic Problems; Whitney R. D. Jones, The Mid-Tudor Crisis 1539-1563 (London: The Macmillan Press Ltd., 1973); and William George Hoskins, The Age of Plunder, King Henry's England, 1500-1547 (London: Longman, 1976).

³P. Ramsey, Tudor Economic Problems, pp. 166-167.

on the other hand, any prolonged disruption of trade would seriously curtail the regular inflow of money without which neither the expenses of government nor the cost of essential continental imports could be met.

This last point was crucial, for as early as the fifteenth century, the acquisition of money for State purposes assumed supreme importance, particularly in view of the changes in the conduct and nature of international warfare. A country which had no mines of precious metals could only hope to obtain a supply of them by means of trade and taxation.¹ A healthy export trade not only swelled customs revenue, but was doubly valuable in that it played the role as security in the raising of government loans on the international money market. Indeed, England made extensive use of its colony of Merchants Adventurers at Antwerp as security in order to obtain vast sums of gold or silver at the money market for its war chest, or to purchase essential war commodities.

Antwerp was the principal centre for English government loans from 1544 to 1574. Elizabeth's chief financial agent at Antwerp, Sir Thomas Gresham, alone negotiated loans totalling nearly three-quarters of a million pounds sterling, from 1553-64.²

¹Cunningham, English Industry and Commerce, vol. 2, pp. 3-8.

²Charles H. Wilson, Queen Elizabeth and the Revolt of the Netherlands (Berkeley, Calif.: University of California Press, 1970), p. 18. See also George Unwin, Studies in Economic History: The Collected Papers of George Unwin (London: Macmillan & Co. Ltd., 1927; reprint ed., London: Frank Cass and Co. Ltd., 1958), pp. 133, 146-148, for his illuminating account of the use Gresham made of the Merchants Adventurers as financial intermediaries.

But an over-reliance on Antwerp's international credit facilities for government needs was at best a risky business. Aside from high interest rates, the money market, subject to the vagaries of international developments, could at times be notoriously unreliable. Shortly after the middle of the century, when England herself was in great need, the two largest borrowers--France and Spain--became bankrupt and defaulted on their loans. The great bankers who had lent most were collapsing in every direction. For a time, State financing had totally ruined the Antwerp money market.¹

In these circumstances, Elizabeth's government was quick to realize the necessity of a new revenue system based on taxation and on the maintenance and development of private mercantile credit:² a system which required governments to conform to the expectations of businessmen in the management of their finances if they wished to maintain their credit worthiness.³ The state of the nation's commerce was of paramount importance as an unfavourable balance of trade could cause a critical drain of bullion. In 1564, the Privy Council itself had expressed its general concern over the problem of foreign exchange and

¹Unwin, Studies in Economic History, p. 16.

²Ibid.

³Cunningham, English Industry and Commerce, vol. 2, p. 8. For a discussion of government finance, see also Frederick C. Dietz, vol. 1: English Government Finance 1485-1558 (Urbana, Ill.: University of Illinois, 1921; 2nd ed., London: Frank Cass and Co. Ltd., 1964); vol. 2: English Public Finance 1558-1641 (New York: Century Co., for the American Historical Association, 1932; 2nd ed., London: Frank Cass and Co. Ltd., 1964).

balance of trade.¹ The following year, Cecil undertook a study of London's overseas commerce and noted an adverse balance. This adverse balance was largely attributed to the commercial activities of foreign merchants who, at that time, were responsible for thirty-eight percent of the total value of imports and twenty-three percent of exports. His detailed analysis of imports and exports highlighted England's precarious balance of trade position. The balance of trade hinged entirely upon the capacity of Europe to absorb English cloth. A ten percent alteration in the volume of cloth exports was more than sufficient to tip this balance markedly one way or the other, but England had little direct influence on the demand side of her export trade.² The "dizzy booms and abysmal slumps" of the first half of the century were not caused by the cloth producing areas of England.³

Prosperous trade conditions demanded normal political and economic relations with the Low Countries and, from there, open communications across to North Germany, the great mart at Frankfurt, and down the Rhine to the subsidiary market of Italy. Any breach in communications between England and Antwerp, or Antwerp and the consumer areas,

¹Harl. MSS., 660., 38, ff. 107 seq. (Memorandum prepared for the Royal Commission on the Exchanges, 1564) as printed in Tawney and Power, Tudor Economic Documents, vol. 3, pp. 346-359.

²Stone, "Elizabethan Overseas Trade," pp. 36-39.

³Stone, "State Control," p. 106.

would greatly affect England's balance of trade and threaten serious economic consequences and social unrest.¹ What made England's over-reliance on Antwerp even more precarious, both for imports and exports, was the fact that Antwerp's indispensable intermediary role was based essentially on insecure foundations. Antwerp's greatness was largely due to the continuous flow of goods from foreigners and the continued presence of foreigners within her walls. All her native industry and enterprise were not sufficient security;² indeed, as Peter Ramsey noted:

When depression struck the English cloth trade and the Portuguese spice trade in the 1550's, when the great German merchant-bankers were shattered by the Habsburg bankruptcy of 1556, and when religious persecution began in earnest with the "placards" of 1555, then the flow of goods that had constituted Antwerp's attractive force dried up and the merchants of Protestant countries felt themselves insecure.³

As the political and religious quarrels occurring in central Europe spread to the Low Countries, and they became involved in the vast upheaval of the revolt against Spain, the Low Countries plunged into an anarchy that was by no means encouraging to trade.⁴ The accession of Philip of Spain, as was indicated previously, was to radically change the nature of Anglo-Netherlands relations; henceforth, the

¹Stone, "State Control," p. 106.

²P. Ramsey, Tudor Economic Problems, pp. 56-57.
See also Geyl, Revolt of the Netherlands, pp. 42-43.

³P. Ramsey, Tudor Economic Problems, pp. 56-57.

⁴Geyl, Revolt of the Netherlands, provides an excellent account of the events.

Netherlands were merely a pawn in Spain's diplomatic game, and the signs became ominous that Antwerp's commercial hegemony was in danger.¹

By 1563-64, the game had turned into serious economic warfare and it was obvious that the Spanish element in the council of government for the Netherlands was largely indifferent about the fate of Antwerp's trade.² Cecil, realizing England's vulnerability in case of war, encouraged attempts to shift trade to Hamburg or Emden, but London was still too much the satellite of Antwerp.³ Elizabeth's seizure of Alba's pay-ships in 1568 precipitated a sharp crisis, the economic consequences of which were to last more than four years. The Merchants Adventurers at Antwerp fell immediate victim to Spain's counter measures, and, in 1569, Alba placed a total embargo on Anglo-Netherland trade.

These countervailing measures proved highly expensive to England. The militia was mustered, ships requisitioned for naval use, and the customs receipts were greatly reduced. In all, the loss of the customs revenue and the outlay on defence alone exceeded 180,000 pounds sterling--

¹Wilson, Revolt of the Netherlands, pp. 16-17.

²Ibid., p. 17.

³Conyers Read, Mr. Secretary Cecil and Queen Elizabeth (New York: Alfred A. Knopf, 1955; reprint ed., 1961), pp. 289-300. See also P.R.O. S.P.D. Eliz. 1., vol. XXXV., no. 33. (Memorandum by Cecil on the Export Trade in Cloth and Wool) as printed in Tawney and Power, Tudor Economic Documents, vol. 2, pp. 45-47.

and this was on top of the cost of public funds used to recompense victims of heavy private losses. England's export of cloth fell to little more than one-half the figure of 1550.¹

Elizabethan Commercial
Policies: Scope
and Impact

It had become increasingly apparent that the shipping of so much of the exports of England to the one market, with each cloth fleet carrying "almost the treasure of a realm," was sheer folly.² It was equally clear that the requirements of the new system of finance, as indicated above, demanded the attention of the government in the development of national resources, the extension of commerce, and the prosperity of industry far more seriously than was necessary heretofore. Recurring economic crises, popular discontent, and the very real threat of a complete commercial rupture with Antwerp, or an invasion of England by her enemies, forced the government of Elizabeth to extend its control over almost all sectors of the national economy.³

Drawing upon the experiments in control and restrictions of the early Tudor period, Elizabeth's government codified and co-ordinated a system of regulations and

¹Wilson, Revolt of the Netherlands, pp. 24-25.

²G. D. Ramsay, The City of London in International Politics at the Accession of Elizabeth Tudor (Manchester: Manchester University Press, 1975), p. 240.

³Stone, "Elizabethan Overseas Trade," p. 31.

control more effective and more complete than any that had preceded it.¹ But security, not prosperity, was the main aim of economic policy. As Lawrence Stone noted: "tormented by a fear of the drain of bullion through an adverse balance of payments, desperately anxious to build up a war-chest by the means of the customs revenue, dominated by an ideal of autarky inspired largely by a fear of economic blockade in time of war,"² the government of Elizabeth embarked upon the sixteenth century concept of mercantilism. It was the development of a system of economic nationalism inspired more by the relentless pressure of war and the fear of war, than by a simple concern over the rise or fall of economic prosperity.³ As will be indicated below, Elizabeth's government embarked on a deliberate policy of exploiting natural resources and opening up new markets, and pursued it with an astonishing degree of consistency of purpose and effort. These policies came to exercise a markedly determining influence upon the economic history of the Tudor period.⁴

Supported by conservative and responsible opinion, Cecil undertook the reorientation of England's economic life towards the creation of an autarchic state. Since the Crown itself could not afford to engage in mining operations, or in

¹See Stone's interpretation of this in "State Control," pp. 109-110.

²Stone, "Elizabethan Overseas Trade," p. 30. On the general question of mercantilism during this period, see the articles: "Mercantilism," by Eli F. Heckscher, pp. 19-34; "Fiscalism, Mercantilism and Corruption," by Jacob van Klaveren, pp. 140-161; and "The Other Face of Mercantilism," by Charles H. Wilson, pp. 118-139, in D. C. Coleman, ed., Revisions in Mercantilism (London: Methuen & Co. Ltd., 1969). As well, see Jacob Viner, Studies in the Theory of International Trade (New York: Harper and Brothers Publishers, n.d.).

³Stone, "State Control," p. 110.

⁴*Ibid.*, p. 103.

the establishment of new manufacturing concerns, the government encouraged and guided individual enterprise and private investment capital through a system of favours and inhibitions protected by royal letters patent.¹ There were many enterprising individuals, including foreigners who possessed the industrial skills Englishmen lacked, ready "to introduce, under the direction of the Crown but at their own charges, certain industries, the provision of which were considered indispensable for the safety and independence of the realm."²

Considerable interest and support was given to the revival or re-introduction of mining and metallurgical industries in order to improve the military preparedness of the realm: grants of monopoly patents were issued to the Company of Royal Mines and the Mineral and Battery Company for the extraction of iron, tin, zinc, lead, and copper, so as to make England independent of foreign sources for the manufacture of brass and cannons;³ patents were given for the production of sulphur and saltpeter to furnish native

¹Stone, "State Control," p. 113. See also Cunningham, English Industry and Commerce, vol. 2, pp. 58-59.

²E. W. Hulme, History of the Patent System, as quoted in Cunningham, English Industry and Commerce, vol. 2, pp. 58-59.

³For the charter see C. T. Carr, ed., "The Mines Royal, 1568," Seldon Society (1913), as printed in Tawney and Power, Tudor Economic Documents, vol. 1, pp. 250-262. See also William Robert Scott, The Constitution and Finance of English, Scottish and Irish Joint-Stock Companies to 1720, vol. 1: The General Development of the Joint-Stock System to 1720 (Cambridge: Cambridge University Press, 1912; reprint ed., Gloucester, Mass.: Peter Smith, 1968), pp. 39-46, 57-68; and M. B. Donald, Elizabethan Monopolies: The History of the Company of Mineral and Battery Works from 1565 to 1604 (Edinburgh: Oliver and Boyd Ltd., 1961).

supplies of gunpowder;¹ and, in order to assist the domestic provision of small arms, and armor, alien armorers were encouraged to immigrate and settle at Woolwich.²

The government was also anxious to develop English industry other than ordinance, not only to achieve economic self-sufficiency and to dispense with imports, but to acquire and expand the range of valuable commodities to export to foreign markets. Special privileges were granted to introduce, for example, the manufacture of salt, window-glass, starch, soap, needles, cutlery and iron-works, as well as many other products, most of which had hitherto been imported.³ The rapid development and improvements which occurred in these industries, especially in the new branches of England's staple industry--the manufacture of worsted, serges and bays--was largely due to the steady inflow of highly skilled Protestant refugees.⁴ There had been intermittent immigration since

¹Cunningham, English Industry and Commerce, vol. 2, pp. 60-61.

²P.R.O. S.P.D. Eliz. 1, vol. II, no. 3, also vol. VIII, no. 3, as cited in Cunningham, English Industry and Commerce, vol. 2, pp. 57-58.

³Cunningham, English Industry and Commerce, vol. 2, pp. 75-78. For the many projects undertaken in the manufacture of salt, for example, see Cal. S.P.Dom. 1547-1580, vol. XXVIII, no. 5 (March, 1563), vol. XXXIII, nos. 5, 5a (Jan., 1564), vol. XXXVI, nos. 93, 94 (July, 1565), vol. XLIII, nos. 1, 3 (June, 1567), vol. LXXXIII, nos. 12, 13, 21 (Nov., 1571); Statutes of the Realm, vol. IV, pt. I, 8 Eliz. c. 22, (An Acte for makinge of Satle within the Quenes Majesties Domynyons); as well as Edward Hughes, Studies in Administration and Finance 1558-1825: With Special Reference to the History of Salt Taxation in England (Manchester: Manchester University Press, 1934).

⁴Bowden, Wool Trade, pp. 53-54.

the Norman conquest, but the inflow accelerated considerably during the reign of Elizabeth, when religious differences and persecution in their native districts greatly increased.¹

These were exactly the kind of men Cecil was trying to attract. He was keenly aware of the economic advantages which would accrue to England with the settling of these highly skilled foreign workmen,² and he encouraged them greatly through the agency of capitalist patentees.³

Although there were a number of problems associated with the increasing inflow of aliens, the government generally attempted to assuage local jealousy or fear of competition, and was not inclined to impose any unnecessary restrictions.⁴

The government's increasing involvement in the economic well-being of the country, however, was motivated by more than a simple desire for economic self-sufficiency; it was also inspired by a sense of social paternalism. The measures passed are too numerous to cite here, but their concern is evident, for example, in the food policy of increasing corn production and maintaining low prices: pastures were reconverted, wastes reclaimed, fens drained,

¹Cunningham, English Industry and Commerce, vol. 2, pp. 79-84.

²See, for example, P.R.O. S.P.D. Eliz. 1., vol. XLII, no. 29, as cited in Cunningham, English Industry and Commerce, vol. 2, p. 79.

³Cunningham, English Industry and Commerce, vol. 2, pp. 79-84..

⁴Ibid. See also the numerous reprints on this subject in Tawney and Power, Tudor Economic Documents, vol. 1, section 6, ("Alien Immigrants"), pp. 297-322.

and productivity increased through farming improvements.¹

Indeed, the importance of the state of agriculture had long been recognized, for:

. . . by the same means of Tyllage and Husbandrye, the greater parte of the Subjects are preserved from extreame povertie in a competente Estate of maintenance and meanes to live, and the Wealthe of the Realme is kepte dispersed and distributed in manie handes, where yt is more ready to answere all necessary Chardges for the service of the Realme; And whereas allso the saide Husbandrie and Tillage is a cause that the Realme doth more stande upon it selfe, without dependinge upon forraine Cuntries . . .²

Moreover, the Privy Council tended to keep a close watch on the food supply, especially in the city of London,³ and a number of measures were passed concerning weights and measurements, as well as engrossing, forestalling, and regratting at the market.⁴ The Commission for Restraints of Grain and Victuals appears to have been a most active body

¹Stone, "State Control," pp. 108, 113; and Cunningham, English Industry and Commerce, vol. 2, pp. 112-119. For a discussion on agrarian progress, see Joan Thirsk, ed., The Agrarian History of England and Wales, 1500-1604 (Cambridge: Cambridge University Press, 1967).

²Statutes of the Realm, vol. IV, pt. I, 39 Eliz., c. 2. (An Acte for the maintanance of Husbandrie and Tillage). See also ibid., 5 Eliz., c. 2 (An Acte for the mayntenance and encrease of Tyllage); and "Letter from Alderman Box to Burghley, proposing compulsory division and sowing of wastes, c. 1576," as printed in Tawney and Power, Tudor Economic Documents, vol. 1, pp. 72-77.

³N. S. B. Gras, The Evolution of the English Corn Market from the Twelfth to the Eighteenth Centuries (Harvard: Harvard University Press, 1915; reissued, New York: Russell & Russell, 1967), pp. 450-454. See also F. J. Fisher, "The Development of the London Food Market, 1540-1640," in E. M. Carus-Wilson, ed., Essays in Economic History, vol. 1 (London: Edward Arnold Publishers Ltd., 1954; reprint ed., 1961), pp. 135-151.

⁴Statutes of the Realm, vol. IV, pt. I, 5 Eliz., c. 12 (An Acte towching Badgers of Corne and Drovers of Cattell to bee lycensed). See also Cunningham, English Industry and Commerce, vol. 2, pp. 92-97.

during this period.¹

The same paternalistic concern is also evident in the government's attempts to provide domestic employment and favourable conditions for its artisans. Although the motivation was to reduce the problem of unemployment--"that Lothesome monster Idelnesse (the mother and breeder of Vacaboundes)"² "which is the root of all mischief"³--the desire to achieve a favourable balance of trade was equally important.⁴ A prohibition on the importation of "dyvers forreyne wares" was enacted;⁵ steps were undertaken to prevent any diminution of the advantage which English weavers enjoyed from the excellence of English wool;⁶ and the consumption of native manufactures was insisted upon.⁷ As well, the government sought to go beyond merely securing favourable market conditions for its native craftsmen and

¹Cunningham, English Industry and Commerce, vol. 2, pp. 86-91.

²"Robert Hitchcock's 'Pollitique Platt', for the development of Fisheries, 1580," as printed in Tawney and Power, Tudor Economic Documents, vol. 3, p. 240.

³"Malynes on the Exchanges," as printed in Tawney and Power, Tudor Economic Documents, vol. 3, p. 389. On the general subject of vagrancy and poor relief, see *ibid.*, vol. 2, section 7, pp. 296-369.

⁴Stone, "State Control," p. 113.

⁵Statutes of the Realm, vol. IV, pt. I, 5 Eliz.; c. 7 (An Acte for the advoyding of dyvers forreyne Wares made by Handye Craftesmen beyonde the Seas).

⁶*Ibid.*, 8 Eliz., c. 3 (An Acte against carrying over Seas Rames Lambes and other Shepe alyve).

⁷*Ibid.*, 13 Eliz., c. 19 (An Acte for the makinge of Cappes).

attempted through its great labour code, The Statute of Artificers, to regulate the minutiae of industrial life in trade, industry, and agriculture alike.¹

Lastly, intensive efforts went into the improvement of shipping for it was clearly recognized that "the greatest jewell of this realme, and the chiefest strength and force of the same, for defence or offence in marshall matter and manner, is the multitude of ships, masters and mariners, ready to assist the most stately and royall navy of her majesty."² As was mentioned previously, there was no side of industrial or commercial life which was left unaffected by the policies Cecil devised for increasing the shipping and employing the seamen of the country. Draconian legislation was passed to preserve timber.³ Attention was given to the growing of hemp and flax,⁴ and the manufacture of

¹Statutes of the Realm, vol. IV, pt. I, 5 Eliz., c. 4 (An Acte touching dyvers Orders for Artificers Laborers Servantes of Husbandrye and Apprentises). On this subject, see M. G. Davies, The Enforcement of English Apprenticeship, 1563-1642, (1956). Also, since the cloth industry was of paramount importance to England's domestic economy, it is worthwhile to note the numerous acts dealing with the manufacture of this commodity: e.g., 3&4 Edw. VI, c. 2, 5&6 Edw. VI, c. 6, 5&6 Edw. VI, c. 8, 8 Eliz., c. 6, 23 Eliz., c. 9, 27 Eliz., c. 17, 27 Eliz., c. 18, among others.

²"Extract from Peckham's 'Discourse of the necessitie and commoditie of planting English colonies upon the north partes of America', 1583," as printed in Tawney and Power, Tudor Economic Documents, vol. 3, p. 257.

³Statutes of the Realm, vol. IV, pt. I, 1 Eliz., c. 15 (An Acte that Tymber shall not be felled to make Coles for the making of Iron); 23 Eliz., c. 5 (An Acte touching Yron Milles neere unto the Cittie of London and the Ryver of Thames); 27 Eliz., c. 19 (An Acte for the preservation of Tymber in the Wildes...).

⁴Ibid., 5 Eliz., c. 5 (An Acte touching certayne

sail-cloth.¹ Measures taken during the previous reign for the preservation of ships, the construction of harbours, and the suppression of piracy, were re-enforced.² The training of seamen and the building of ships were encouraged by attempts to revive the fishing industry,³ and the enforcement of political Lent.⁴

. . . it must nedes followe that the remedyes must be sought to increase marrynors by fishyng as a cause most naturall, easy and perpetuall to brede and mayntene marynors.⁵

As Lawrence Stone noted:

The same factor played its part in determining government policy towards the Trading Companies--who were by charter compelled to use English vessels, and the scale of whose enterprises naturally led them to provide "a great number of very large and serviceable Merchant shippes fit as well for defence of the Realme (if need

Politique Constitutions made for the maintenance of the Navye). See also *ibid.*, vol. III, 24 Hen. VIII., c. 4 (An Acte concernyng sowing of Flaxe and Hempe).

¹P.R.O. S.P.D. Eliz. 1, vol. XVII, nos. 48, 49; vol. XVIII, no. 22, as cited in Cunningham, English Industry and Commerce, vol. 2, pp. 65, 82.

²P.R.O. S.P.D. Eliz. 1, vol. XXXVII, nos. 47, 49 as cited in Cunningham, English Industry and Commerce, vol. 2, pp. 66-67. See also Statutes of the Realm, vol. VI, pt. I, 8 Eliz., c. 13 (An Acte touchinge Sea markes and Marynors); 23 Eliz., c. 6 (An Acte for the repayring of Dover Haven).

³Statutes of the Realm, vol. IV, pt. I, 5 Eliz., c. 5 (An Acte towching certayne Politique Constitutions made for the maintenance of the Navye); see also 13 Eliz., c. 11 (An Acte for the Mayntenaunce of the Navigation); 23 Eliz., c. 7 (An Acte for the encrease of Mariners, and for the maintenance of Navigation).

⁴P.R.O. S.P.D. Eliz. 1, vol. XXVII, no. 71, "Arguments in favour of establishing Wednesday as an additional Fish day, February, 1563," as printed in Tawney and Power, Tudor Economic Documents, vol. 2, pp. 104-110.

⁵*Ibid.*, pp. 107-108.

were) as for Trafficque".¹

This is clearly demonstrated by the Navigation Act of 1559, which imposed discriminating duties on the lading of foreign ships,² and, more particularly, by the government's increasing confrontation with the merchants of the Hanseatic League. But great care was taken in the pursuit of these policies so as not to unduly hinder English merchants. The Merchants of the Staple and the Merchants Adventurers were both exempted from the operation of the 1559 Navigation Act if, at the time of their regular shipping, they could not charter a sufficient number of English vessels to carry their goods. It was well appreciated that the higher rates the Act imposed on goods sent in foreign ships might reduce the volume of trade at these seasons and seriously reduce the Queen's customs revenue, as well as curtail native manufacturing activities.³ Similar considerations also exempted the City of Bristol since many of its ships had recently been lost to pirates, and the merchants had little alternative but to rely on foreign transport.⁴ The flexibility of the government in this instance seems to support the contention that Cecil took a more far-sighted view and considered that the wisest course lay in opening up new

¹Stone, "State Control," p. 111.

²Statutes of the Realm, vol. IV, pt. I, 1 Eliz., c. 13 (An Acte for the Shipping in Englishe Botomes).

³Ibid.

⁴Ibid.

markets for English shipping, rather than to compete with foreigners for existing commerce. Accordingly, he encouraged English merchants to seize every opportunity, and supported voyages of exploration and the formation of trading companies.¹

From all of the above, it is clear that the government's activities had greatly encouraged and determined the early stages of England's subsequent immense industrial revolution and the development of her natural resources.² The quest for economic self-sufficiency went far towards satisfying some of the military needs of the State, and providing the poorer classes with the basic essentials of life.³ But there was also a debit side to the ledger of government economic policies, regulations, and controls. While the new industries begun under Elizabeth helped to reduce the need for some imports, few appear to have contributed materially to swell exports. Cloth still remained virtually England's only important export commodity, though there was a marked shift from the coarse, white cloth to the lighter kersies and the finer bayes and sayes; and the government's attempt to reduce imports of luxuries, particularly wines and luxury cloths which together amounted to over thirteen percent of the total import value, proved a

¹Cunningham, English Industry and Commerce, vol. 2, pp. 74-75.

²See J. U. Nef, "The Progress of Technology and the Growth of Large-Scale Industry in Great Britain, 1540-1640."

³Stone, "State Control," p. 108.

total failure.¹

More serious, however, were the inhibiting distortions and restrictions evident in England's economic development as a result of the Crown's showering of favours on the basis of opportunistic war financing. As Lawrence Stone noted: "The flood of patents of every type at the end of the reign reflects the desperate state of the Crown's finances, which led the Queen to sacrifice her popularity for the meagre returns rendered by the host of optimistic projectors and patentees."² In part, this was manifested by the granting of industrial monopolies and, in some instances, auctioning them off to the highest bidder. It found its greatest expression, however, in the connection between the establishment of Trading Company monopolies (limited to a small, powerful class of great merchants) and the provision of regular loans, as well as other services to the Crown. This has been proven beyond all doubt. George Unwin, in his authoritative Studies in Economic History concluded that:

Whatever the results of the connexion between the government and the Merchants Adventurers, it had its origin and mainspring, not in any disinterested desire of the government to realise any particular theory of trade, but in the urgency of the Crown's own immediate needs.³

The similarity in this relationship between the Crown and

¹Stone, "Elizabethan Overseas Trade," pp. 45-49.

²Stone, "State Control," p. 114. See also Wallace T. MacCaffrey, "Place and Patronage in Elizabethan Politics," in Bindoff et al., Elizabethan Government and Society, especially pp. 119-121, 125.

³Unwin, Studies in Economic History, p. 58.

other trading companies is also evident.¹

One of the major results of this mutually beneficial relationship was to fasten upon English commerce a framework of monopolistic and oligarchic trading companies, which were to dominate its history for a considerable period of time. By the end of the sixteenth century, the export trade of London was almost entirely in the hands of powerful vested interest groups which had achieved their dominating position, under the rubric of economic nationalism, by having influenced government policies through the services they afforded the Crown. These policies emanated from the fifties, when it was realized that the impetus of exchange depreciation had created an export boom beyond the volume that could be sustained by the European market, and culminated in a series of government legislation geared towards deflating the cloth industry at its source, and a policy of increasing restrictions against foreign competitors as well as against new traders.² Each successive slump in trade added its quota of restrictions under the axiom that "old-established ought of right to be protected from the competition of newcomers,"³ and the Companies further tightened their control over trade. "It was war finance, not depression economics, that gave the merchant capitalists

¹Stone, "State Control," p. 114. See also, for example, Scott, Joint-Stock Companies, pp. 29-30, 34-37, *passim*.

²Fisher, "Commercial Trends and Policy," pp. 159-172.

³*Ibid.*, p. 170.

their chance,"¹ and, as the circumstances in England's foreign relations changed, they sought to protect and further their vested interests against native and foreign merchants alike.²

In this context, Elizabethan controls and regulations against foreign competitors had an immediate and increasingly aggravating effect upon Anglo-Netherlands mercantile relations (as well as Anglo-Hanseatic relations, which will be dealt with later). The long-standing alliance and commercial connections between England and the Low Countries were being endangered by financial and other impediments to the free traffic of the Netherlands' merchants in England, while the English merchants continued to enjoy unencumbered their special privileges at Antwerp. The prohibitions in England of certain Flemish manufactures; the great increase of customs, port dues, and other charges on many goods carried to England; the sharp increase in English export dues upon unfinished cloth as a result of the 1558 revised book of rates; the discriminations against Netherland shipping as a result of the Queen's decree respecting navigation; the vexatious behavior of English customs officers; the constant harassing of the Netherlands' subjects in England by the seizure of goods, exactions, sureties and restrictions placed on their business activities; the enforcement of the Statutes of Employment;

¹ Stone, "State Control," p. 114.

² See also Scott, Joint-Stock Companies, pp. 35-39.

and the breaking of the Flanders, Artois, and Brabant cloth finishing monopoly as a result of the thousands of émigrés textile workers who had fled, were welcomed in England, and were now working and teaching their skills to English workmen, were all deemed as violations of the Magnus Intercursus.¹ These grievances were also reinforced by the ill-feelings the Netherlands held against the English as a result of the incalculable losses in goods and ships they suffered at the hands of not too discriminating privateers operating under the general letters of marque, which Elizabeth had issued during her quarrel with France.²

By 1562, the Netherlands' merchants and mariners were incensed enough to make representations to both governments over these indignities.³ All the friendly remonstrances and numerous letters of complaint, however, were of

¹G. D. Ramsay, The City of London, pp. 162-165. The Anglo-Netherlands treaty of 1495 known as the Magnus Intercursus (subsequently confirmed and extended by agreements in 1520 and 1546) is printed in Thomas Rymer, ed., Foedera, Conventiones Literae et cuiuscunque Acta Publica inter Reges Anglia et alios..., 3rd ed. (Hague: Joannem Neaulme, 1740), vol. V, pt. IV, pp. 82-87; an abbreviated version is printed in Tawney and Power, Tudor Economic Documents, vol. 2, pp. 11-15.

²"Commercial questions in dispute between Spain and England, 1564," printed in Tawney and Power, Tudor Economic Documents, vol. 2, pp. 43-44. See also K. R. Andrews, Elizabethan Privateering: English Privateering During the Spanish War 1585-1603 (Cambridge: Cambridge University Press, 1964), pp. 6, 15-16, 227-228; Scott, Joint-Stock Companies, p. 47.

³A.P.C., vol. VII, 1558-1570, p. 106; Cal. S.P.For., 1560-61, no. 146 (Complaints of the Merchants of the Low Countries to King Philip), "Commercial Questions in dispute between Spain and England, 1564," as printed in Tawney and Power, Tudor Economic Documents, vol. 2, pp. 43-44.

no avail. Finally, when even the representations of the Netherlands' emissary, d'Assonleville, met a deaf ear in England,¹ Philip II approved reciprocal retaliation which resulted in a round of embargoes and the effective cessation of trade between England and Antwerp in 1563-64.²

These unexpected consequences of Elizabeth's mercantilist policies clearly reinforced the awareness of the economic and political dangers of relying too exclusively upon Antwerp.³ This became all the more apparent when the internal political disorders in the Netherlands reached their peak in the summer of 1566, with the wild image-breaking and desecration of Catholic churches that culminated in the sack of Antwerp's Cathedral.⁴ The struggle of the Netherlands' rebels against Spain no longer simply disturbed, but now seriously threatened to close the main highway of trade between England and continental Europe. With all of the Netherlands, from Artois to Utrecht, in revolt, it was time for England's merchants to seek less turbulent "vents" for their cloth, and to seek, directly at source, those

¹G. D. Ramsay, The City of London, pp. 165-171.

²Cal. S.P.For., 1563, nos. 1295 (Philip II to the Queen, 13 Oct. 1563), 1438 (Edict of the Duchess of Parma, 28 Nov. 1563) 1460 (Proclamation against English Merchants, 7 Dec. 1563). The essential documentation to this dispute is contained in J. M. B. C. Baron Kervyn de Lettenhoven and L. Gilliots van Severen, Relations politiques des Pays-Bas et de l'Angleterre sous le règne de Philippe II, 11 vols., Brussels, 1882-1900. See also G. D. Ramsay, The City of London, pp. 171-73.

³Vide supra, pp. 14-15, 28-31.

⁴Geyl, Revolt of the Netherlands, pp. 90-99.

vital strategic commodities which England neither produced, nor possessed, and which her merchants had previously purchased at second hand on the Antwerp market.¹

Fortunately for England, despite the disruptions and frequent embargoes, conditions in the Netherlands deteriorated slowly over a number of years. England thus had some time to redirect her commerce before the civil war in the Netherlands finally sealed off the mouth of the Scheldt. The ensuing search for alternate arrangements, however, brought England into direct conflict with the Hanseatic League, for the best--though not the only--alternate routes to England's traditional cloth-consuming markets lay through the Hanseatic ports. It was also the Eastland, the area which was considered largely as the Hanse's own monopoly preserve, wherein lay the richest source of raw materials, foodstuffs and vital naval commodities so necessary for England's security needs, that England had to penetrate successfully if her economic well-being and very existence -- as an independent power was to be assured.

¹Stone, "Elizabethan Overseas Trade," p. 43.

CHAPTER III

THE NORTHERN QUEST: PHASE I

The Intensifying Anglo-Hanseatic Rivalry

The dangers of relying too exclusively upon the single mart at Antwerp had long been a matter of concern.

Cecil had recognized this himself in one of his memorandums:

It is to be confessed of all men that it were better for this realm for many considerations, that the commodities of the same were issued out rather to sundry places than to one, and specially to such one as the Lord thereof is of so great power, as he may therewith annoy this realm by way of war.¹

English merchants had considered alternatives prior to this. Trade openings had been indicated to them in a number of the northern countries, particularly in the county of East Friesland, but they had little pursued these opportunities.² Despite its vicissitudes, the Antwerp mart had proved to be too irresistible an attraction. This time, however, the serious disruptions and distress caused by the prolonged embargo on English wool and cloth, and the poor prospects of a speedy re-opening of Antwerp in view of the escalating

¹As quoted in Read, Mr. Secretary Cecil and Queen Elizabeth, pp. 295-296. See also P.R.O. S.P.D. Eliz., vol. XXXV, no. 33 ("Memorandum by Cecil on the export trade in cloth and wool, 1564(?)") as printed in Tawney and Power, Tudor Economic Documents, vol. 2, pp. 45-47.

²Vide *infra*, pp. 55-60.

Anglo-Spanish conflict, made the need for alternate arrangements pressing.

But the ensuing search for alternate arrangements sharply aggravated the long-standing Anglo-Hanseatic rivalry. The major geographic area of England's search for new "vents" naturally focused in the area of greatest English cloth demand; that area of northern, central, and eastern Europe, largely considered by the Hanse as its own private preserve. The Hanse was the dominant trading power there, and it had long and jealously guarded its supremacy in that area. If England intended to achieve a more independent position in her foreign trading relations, she would have to break the German Hanse's monopoly--and this could only be achieved against a background of intense rivalry.

A major clash with the Hanse was all the more inevitable since Elizabeth's policy of self-sufficiency had largely eliminated the privileged middleman role of the Hanseatic merchants in England's economy. As was indicated above, and as F. J. Fisher so aptly noted:

. . . . the great protagonist of economic nationalism was still the merchant rather than the manufacturer. Imports were still complementary to rather than competitive with the products of England, and the really urgent problem was not whether they should be admitted but who should bring them in and carry out exports in exchange. . . . And inevitably the major enemy in that struggle were the Hanseatic merchants, for by virtue of their tariff privileges those merchants were more important than all the other foreigners engaged in English trade and by virtue of their opposition to the growing English penetration of the Baltic it was against them that most bitterness was felt.¹

¹Fisher, "Commercial Trends and Policy," p. 164.

England's struggle with the Hanse was to be largely facilitated by the fact that this medieval League had long been afflicted with internal dissolution and growing weakness.

Since its formation, the Hanseatic League was condemned to a perpetual struggle against the authorities in foreign countries, as well as against potential rivals, in order to maintain its privileged status.¹ This is not to suggest that the Hanse's services were not valued. A review of their relations with England indicates clearly that the privileges granted to the group of Cologne merchants in 1157 (which eventually merged with other German merchant groups to form the Hanseatic Kontor in London in 1281),² as well as subsequent privileges and re-affirmations thereof, were based solidly on the reigning monarchs' appreciation of the Hanse's usefulness as economic intermediaries, providers of loans and ships for warfare, diplomatic support, and general bearers of an improved standard of living. But there was also a negative side to Anglo-Hanseatic relations. The Hansards were loathe to reciprocate the substantial privileges they received in England to English traders in

¹The following account of the Hanseatic League's history is based upon Philippe Dollinger, The German Hansa, trans. and ed. D. S. Ault and S. H. Steinberg (Stanford, Calif.: Stanford University Press, 1970). See also E. Daenell, Die Blütezeit des Deutschen Hanse: hansische Geschichte von der zweiten Hälfte des 14 bis zum letzten Viertel des 15 Jahrhunderts, 2 vols. (Berlin: Georg Reimer, 1905-6).

²Hansisches Urkundenbuch, I, nos. 13 and 14, ("Charter for Merchants from Cologne in London") as printed in Dollinger, The German Hansa, pp. 380-381.

northern Germany and the Baltic. They had impeded English overseas commerce so effectively that the early efforts and organizations of Henry IV to bring this trade into native hands, and to secure better treatment for his subjects, failed to survive and lapsed into oblivion. For many years to come, no English monarch dared to retaliate by abrogating the Hansard's privileges, for the League was recognized and greatly feared by contemporaries as a mighty naval power.

As J. A. Williamson noted:

If it had sided with France the English shores would have been ravaged from end to end. In that age of sudden rebellions, banishments and fugitive claimants, there was ever the possibility that an invading force might land any day upon the east coast with Hanse assistance, and in a few weeks subvert the throne. So Henry IV. himself had come in 1399; and so Edward IV. was to appear in 1471. English governments might as yet think only of propitiating the Hansa; they were in no position to defy it.¹

During the fifteenth century, relations between England and the Hanse became notably troubled. The Hansards faced organized hostility from English merchants who were becoming more active, and who increasingly resented the Hanse's privileged status which, in some instances, not only favoured them over other foreigners but also favoured them over the English merchants themselves. The Merchants Adventurers, in particular, were incensed by the obstacles put in the way of their Baltic trade, and were indignant at Hanseatic refusals to grant the same rights in Germany

¹James A. Williamson, A Short History of British Expansion (London: Macmillan & Co. Ltd., 1922; reprint ed., 3d ed., 1945), p. 24.

which the Hanseatic competitors enjoyed in England.¹ Yet both Henry VII and Henry VIII, despite their policy of encouraging English commerce and weakening the Hansard's supremacy, had to proceed warily. Henry VII's tenure was by no means secure, and he well knew how dangerous the Hanse's sea power might be. Henry VIII, likewise, did not dare quarrel with the Hanse, for since the day he severed his allegiance to the papacy, England was threatened with invasion. He needed a powerful navy to defend the country, and the great warships of his time required an enormous expenditure of pitch, cables, cordage, spars, and canvas, all of which came almost exclusively from the Baltic lands. By maintaining an ostensible friendship with the Hanseatic League, Henry VIII not only received the vital naval stores, but also purchased several large warships which bolstered the strength of his navy.²

By the second half of the sixteenth century, the situation had changed dramatically. The mid-century crisis brought strong and consistent pressure on the government to interfere in commercial affairs. The outburst of economic nationalism was aimed both at maximizing England's share of such trade as there was, and protecting certain vested

¹Dollinger, The German Hansa, pp. 302-304.

²See for example L.P. Henry VIII, vol. VIII, no. 527; *ibid.*, vol. XX, part I, nos. 58, 433, 557 (f. 60), 676; *ibid.*, part II, nos. 72, 549; *ibid.*, vol. XXI, part I, nos. 195, 218, 1334. A.P.C. vol. II, 1547-1550, p. 61. See also Williamson, British Expansion, pp. 42, 46; and Henryk Zins, England and the Baltic in the Elizabethan Era, trans. H. C. Stevens (Manchester: Manchester University Press, 1972), pp. 245-246.

interests.¹ Moreover, the government had incurred heavy debts as a result of the French and Scottish wars (the Merchants Adventurers, as well as other groups of capitalists, had lent it large sums), and the coinage had been debased several times. Largely on the advice of Thomas Gresham, the Crown's financial agent, the Protector Northumberland and the Council tried a variety of desperate remedies. One of these was the withdrawal of the privileges of the Hanseatic merchants in 1552,² with the view of bestowing a monopoly on the Merchants Adventurers, forcing the whole of the export trade into their hands and thereby rendering them a more efficient instrument for the purpose of State finance.³

While it is true that the Hanse's privileges were partly restored by Mary, at the request of Philip, they were subsequently revoked by Elizabeth and the Hanse never again recovered its former position in English trade.⁴ Indeed, that first revocation was a most crucial event. As George

¹Fisher, "Commercial Trends and Policy," pp. 163-164. Vide supra pp. 42-44.

²A.P.C., vol. III, 1550-52, pp. 487-489.

³On this point, see Unwin, Studies in Economic History, pp. 146-148; and G. D. Ramsay, The City of London, pp. 50-53, 62-63. Sir Thomas Gresham, in retrospect, described his system in a memorandum composed in 1558 for the benefit of Queen Elizabeth, "Gresham to Queen Elizabeth on the fall of the Exchanges, 1558," printed in Tawney and Power, Tudor Economic Documents, vol. 2, pp. 146-149. It should also be noted that much of the essential information on the mid-century crisis and the economic policy during this period is contained in Dietz, English Government Finance 1485-1558; idem, English Public Finance 1558-1641; Hoskins, The Age of Plunder; Jones, The Mid-Tudor Crisis; and P. Ramsey, Tudor Economic Problems.

⁴G. D. Ramsay, The City of London, pp. 64-70.

Unwin noted:

The significance of the event is that on this occasion the withdrawal, though not final, is the beginning of the end. It rests on a deliberate identification of the interests of Crown finance with the interests of the organized monopoly of English merchants; and this combination of interests will, later on in the reign of Elizabeth, become the dominant factor in policy, and will suffice to expel the Hanseatic merchants.¹

Naturally the Hanse resented the withdrawal of its privileges and attempted retaliation, but the League itself was past the time of its greatest strength and in a state of accelerating decay.² Its political strength had long declined, divided as it was into three increasingly distinct groups of cities and confronted ever more by the growing powers of the Danish and Swedish monarchies;³ militarily, Lübeck had suffered a major naval defeat at the hands of Denmark and Sweden in 1535, and her participation in the Northern War of 1563-70 brought more loss than gain; moreover, its economic decline, while slow and less obvious, was such that by the middle of the century Dutch and even South German traders were increasingly competing with the Hanse in the Baltic.⁴ In this context, the opening up of a direct trade link with Russia via the northern route, by

¹Unwin, Studies in Economic History, p. 206.

²Dollinger, The German Hansa, part 3, "Crises and Decline."

³Adam Szelagowski and N. S. B. Gras, "The Eastland Company in Prussia 1579-1585," Transactions of the Royal Historical Society, ser. 3, vol. 76 (1912), p. 176.

⁴G. D. Ramsay, English Overseas Trade During the Centuries of Emergence (London: Macmillan & Co. Ltd., 1957), chapter 4.

England's Muscovy Merchants in 1553,¹ was a significant portent of things to come. The Hanse's ancient monopoly in Baltic naval commodities was threatened to be circumvented. Soon, Dutch and French ships also began to make use of the northern route to the White Sea,² and eastern German merchants became so thoroughly alarmed that the German cities of Livonia eagerly broke League solidarity and yielded trading rights to English merchants.³

England's withdrawal of the Hanse's privileges and the general futility of the Hanse's efforts at retaliation had clearly highlighted the League's growing weakness. In the wake of England's domestic successes, England now energetically challenged the League's control of the export of English cloth to north-western Germany, and pursued the prospect of achieving a broader breach in the Hanse's commercial hegemony of the Baltic with renewed vigor.

Not surprisingly, England readily found foreign associates in its struggle against the pretensions of the Hanse. The largest of these associates were Sweden, the Duchy of Holstein, and Denmark.

Gustav Vasa of Sweden had long sought to rid his

¹On this subject see T. S. Willan, The Early History of the Russia Company 1553-1603 (Manchester: Manchester University Press, 1956; reprint ed., New York: Augustus M. Kelley Publishers, 1968).

²Walther Kirchner, Commercial Relations Between Russia and Europe 1400 to 1800: Collected Essays (Bloomington, Ind.: Indiana University, 1966), pp. 10-11.

³G. D. Ramsay, English Overseas Trade, pp. 106-107.

country of the Hanseatic League's predominance in Sweden's foreign trade, and to open direct trading connections with western Europe and Russia.¹ He was thus led from 1548 onwards to undertake diplomatic contacts with England.² In 1557 a Swedish embassy was sent to England, and a pioneering English ship with a cargo of cloth arrived in Stockholm in 1558.³ It was hoped that these new trade developments would be fortified with a marriage between Elizabeth and Gustav Vasa's son, Erik. After Elizabeth became Queen, and Erik succeeded his father's throne in 1560, this suit was pressed with increasing vigor.

Duke Adolf of the Duchy of Holstein, like Gustav of Sweden, was no great friend of the Hanse either and he too welcomed any opportunity to benefit from the transit traffic between Russian and Baltic goods on the one hand, and western products on the other.⁴ To this end, he had sent his chancellor to England to offer the use of ports in Holstein as an alternative to those controlled by the Hanseatic

¹The essential information about Anglo-Swedish relations during this time period is contained in Michael Roberts, The Early Vasas: A History of Sweden, 1523-1611 (Cambridge: Cambridge, at the University Press, 1968). This paragraph is based largely upon p. 154 et seq.

²Cal. S.P.For., 1547-53, no. 94 (Gustavus I, King of Sweden, to the Lord Protector, 20 May 1548), no. 95 (The Lords and Councillors of Sweden to same, 22 May 1548). A.P.C., vol. III, 1550-52, pp. 8-9, 12-18.

³Cal. S.P.For., 1553-58, no. 681 (Gustavus, King of Sweden to Queen Mary, 1 Nov. 1557), no. 796 (Council to the Ambassador of Sweden, 20 June 1558). See also G. D. Ramsay, The City of London, p. 224.

⁴G. D. Ramsay, The City of London, pp. 225-228.

League. In 1558, a group of London merchants dispatched to Holstein a consignment of cloth for sale, but the machinations and enmity of Hanse merchants prevented the success of that venture. Nonetheless, he was most eager to maintain friendly relations with England, and expressed both matrimonial intentions as well as the desire to enter Elizabeth's services with a military commitment.¹

With Denmark, relations were of a different character, but equally as important and promising in their potential. While Frederick II was less interested in setting up an international mart, he encouraged an increase in Baltic trade other than Hanseatic so as to benefit from additional taxes on shipping through the Sound. Elizabeth was also to become an object of Frederick II's marriage proposals during 1559-60, but these were aimed more at forestalling his rival Erik of Sweden and a possible Anglo-Swedish alliance.² Although these negotiations were not relished in London, Elizabeth was determined to maintain friendly relations so as not to fall foul of the "janitor of the Baltic."³

¹Cal. S.P.For., 1558-59, no. 90 (Adolphus, Duke of Sleswick-Holstein, to the Queen, 17 Dec. 1558), no. 91 (Idem to Cecil, 17 Dec. 1558), no. 501 (Expedition to Holstein, 5 Apr. 1559), no. 531 (The Queen to the Duke of Holstein, 15 Apr. 1559), no. 541 (Embassy to the Duke of Holstein, 15 Apr. 1559). Ibid., 1559-60, no. 99 (The Queen to Adolf, Duke of Holstein, 20 Oct. 1559).

²For the seriousness of all these suits, see Mortimer Levine, The Early Elizabethan Succession Question 1558-1568 (Stanford, Calif.: Stanford University Press, 1966).

³Walther Kirchner, "England and Denmark, 1558-1588," The Journal of Modern History, vol. 17, no. 1 (March 1945), pp. 1-15.

Of greater immediate interest to England were the various small German states and free cities, on or near the coast, between the Duchy of Holstein and the Netherlands. While under the influence of the Hanseatic League, the growing power of these territorial lords had increasingly expressed itself in a desire for greater independence.¹ The tough economic bonds outlined previously, and the variety of other connections between England and Germany were too strong to be broken by the Hanse's local or sectional mercantile grievances.² There lay the two free cities of Hamburg and Bremen which Thomas Gresham had used for the shipment of munitions in 1560.³ This was also the area from which Elizabeth had received numerous pledges from Protestant princes to raise and dispatch troops for England during the height of the Scottish crisis.⁴ And more importantly, further west and adjacent to the Netherlands, but separated by the river Ems, lay the county of East Friesland whose port of Emden had been considered for the dispatch of

¹Szelagowski and Gras, "The Eastland Company in Prussia," p. 176.

²G. D. Ramsay, The City of London, pp. 218-219.

³Ibid., pp. 116-117, 223. Instances of shipments are mentioned in Cal. S. P. For., 1560-61, nos. 194, 224, 252, 616, 953; ibid., 1561-62, no. 112, etc.

⁴G. D. Ramsay, The City of London, pp. 220-222. The subject of troops is mentioned in Cal. S. P. For., 1559-60, nos. 62, 793, 795, 951, 1011, 1053, etc.

munitions and mercenaries.¹ Its ruler, the widowed Countess Anna, came to develop very cordial relations with England. She desired not only that her sons enter the Queen's service, but also sought for Emden a participation in England's cloth-traffic.²

While the initial contacts with England's northern neighbours were promising in terms of new trade openings, during the time interval up to the embargo in 1563, circumstances had changed considerably. With the achievement of the Scottish political settlement, Elizabeth no longer needed the services of mercenaries and her interest in northern Germany rapidly waned.³ Duke Adolf of Holstein also faded out of English affairs after his suit had finally been turned down by Elizabeth in 1561;⁴ and both Erik of Sweden and Frederick of Denmark had become too embroiled in war to tempt England.⁵ Only the county of East Friesland retained its

¹The choice of an embarkation port for the mercenaries sought by Elizabeth during the height of the Scottish crisis was rather limited. Mercenary leaders did not care to enter the domain of the Duke of Holstein, and the troops were not welcomed in Hamburg or Bremen. P.R.O. S.P. 70/13/446 (John Brigantine to Cecil, 5 April 1560) as cited in G. D. Ramsay, The City of London, p. 229. See also Cal. S. P. For., 1559-60, no. 912 (John Brigantine to Cecil, 27 March 1560), no. 951 (Idem. to idem., 5 April, 1560).

²Cal. S. P. For., 1560-61, no. 173 (John Brigantine to Cecil, 8 June 1560), no. 414 (Idem. to idem., 17 Aug. 1560), no. 536 (Idem. to idem., 17 Sept. 1560).

³G. D. Ramsay, The City of London, p. 230.

⁴Cal. S. P. For., 1560-61, no. 901 (The Queen to Adolph, Duke of Holstein, 20 Jan. 1561).

⁵Roberts, The Early Vasas, pp. 166-167, 202-212. See also Kirchner, "England and Denmark, 1558-1588," pp. 3-6.

attractiveness to England and this was due to more than the fact of its "sheer geographic propinquity" (it was the nearest German port to London).¹

Countess Anna had never wavered from her objectives of securing English pensions for her sons and a portion of England's cloth traffic for her county. She had maintained steady communications with England and even invited the Merchants Adventurers to establish a mart at Emden.² And so it was that East Friesland was not forgotten at London. As G. D. Ramsay noted, when the seriousness of the embargo in the Netherlands became apparent, "the minds of some politicians and merchants turned to the possibilities of Emden as a subsidiary outlet for cloth exports, or even as a complete alternative to Antwerp. What had at first seemed a minor anti-Hanse move could (also) be transformed into a major anti-Netherlands one."³

Shifting of Marts: The Fall of
Antwerp and the First Major
Inroads in the Hanse's
Monopoly Preserve

The embargo imposed by the Regent of the Netherlands on English cloth and wool, in 1563-4, caused the sudden stoppage of the cloth-fleet when it was fully laden and waiting to sail. The moment was critical. No cloth fleet had sailed

¹G. D. Ramsay, The City of London, p. 230.

²Cal. S.P.For., 1562, no. 441 (Utenhove to Grindal, 6 Aug. 1562); no. 442, (Grindal to Cecil, 6 Aug. 1562); no. 1315 (Walwyck to Cecil, 20 Dec. 1562).

³G. D. Ramsay, The City of London, p. 232.

since a year earlier, the spring of 1563. The warehouses were choked with goods awaiting export, and the capital tied up in these commodities was not available either to purchase any more products from the country-side clothiers, who were already feeling the pinch, or to pay for debts regularly falling due. Distress and bewilderment were predominant in the city of London as the intricate credit edifice, upon which its whole business structure was based, appeared on the verge of collapse.¹ The plight of London's merchants --indeed, the very threat to England's domestic tranquility and security-- called for immediate remedies.

In January, 1564, a crucial meeting of the Privy Council took place specifically to discuss the matter "concerning the Intercourses"--the relations with the Low Countries.² One immediate result was the framing of a set of twelve questions to be put to the Merchants Adventurers.³ The questions were clearly intended to elucidate the whole nature of Anglo-Netherlands trade, its conduct and usefulness so that plans could be formulated to prepare for an adjustment

¹G. D. Ramsay, The City of London, p. 237. For an account of the complex role credit played in the internal wool trade in the sixteenth and seventeenth centuries, see Bowden, Wool Trade, pp. 95-103.

²G. D. Ramsay suggests that the memorandum in the hand of Cecil, dated 21 January, may well have provided the agenda for this meeting--Cecil Papers at Hatfield House, Herts, 185/156-- The City of London, pp. 234, 248.

³"Articles propounded to the Merchants Adventurers, 23 January 1564," in S. Hayes, A Collection of State Papers Left by William Cecil, Lord Burghley, (London; n.p. 1740) p. 409, as cited by G. D. Ramsay, The City of London, p. 234.

of trade routes in view of the prolonged closure of England's habitual mart at Antwerp. According to G. D. Ramsay:

The first two of these questions went to the heart of the problem now confronting the Merchants Adventurers. One enquired where English products--"Cloth, wool, lead, tin, and such like"--were chiefly consumed. The other asked whether these commodities might not be "transported, uttered and sold in other countries, as well as the Low Countries; and what these countries be." Within a week, a clear and objective answer to these two questions was forthcoming, in the name of Governor Marsh and half a dozen leading merchants. They explained in their reply how white broadcloths were ultimately consumed for the most part in Germany, coloured broadcloths in Eastland, Spain, Portugal and Barbary, western "cottons" and friezes in France and kerseys in southern Europe....On the crucial question of whether goods consumed outside the Netherlands--as the bulk of English exports were--might be transported to their destination along routes not subject to King Philip, they stated squarely that this was feasible, though "nothing so commodious to the merchant." Finally, they gave their opinion that "leaving upon occasion the said Low Countries, we think that for the serving of Eastland, Germany, and Italy, Emden in Friesland or Hamburg to be the fittest places." This was a decisive document....It indicated that the Privy Council could count upon the support of the Governor and some moving spirits among the Merchants Adventurers in trying out the daring expedient of an alternative to Antwerp, outside the Netherlands.¹

Of course, the Merchants Adventurers required active support from the government, the providing of safeguards and provisions to guarantee their monopoly of the trade that in normal times went to Antwerp, if they were to undertake such far-reaching actions as the transfer of a mart. But there was,

¹G. D. Ramsay, *The City of London*, pp. 234-235; *Cal. S. P. For.*, 1560-61, no. 942 (Sale of English cloth on the Continent, 29 Jan, 1561). According to G. D. Ramsay, this document was erroneously bounded and calendared with the State Papers Foreign for 1560-61, but there is little doubt that, in fact, it belongs to January 1564. See also *Cal. S. P. For.*, 1564-65, no. 1706 (The Merchants Adventurers to the Privy Council, 29 Nov. 1565).

indeed, a ready geographic alternative to the Rhine route into Germany from Antwerp. The Ems, or the Elbe leading into the main inland center of Leipzig, could serve as the new gateway for German and Baltic trade. English traffic could be assured, and the merchants could find foreign buyers in sufficient numbers. England's trade could break out of its dependence upon Antwerp, and England's foreign policy would benefit significantly from a greater freedom of manoeuvre and independence.¹

By early February, 1564, the situation had acquired a new urgency when the Regent of the Netherlands prolonged the embargo on English cloth and wool until Easter.² Hurried negotiations to establish a staple for English cloth at Emden were now undertaken by the government, representatives of the Merchants Adventurers, and the Countess of East Friesland. When the necessary assurances had been granted by East Friesland,³ England's cloth-fleet made ready to sail.⁴ On May 23, 1564, the first Merchants Adventurers' fleet arrived at Emden.

¹Wernham, Before the Armada, p. 284. See also G. D. Ramsay, The City of London, p. 235.

²P.R.O. S.P. 15/23/39 (Merchants Adventurers to Council, 13 Feb. 1564) as cited in G. D. Ramsay, The City of London, p. 236. See also *ibid.*, pp. 202-203, 235-236; and Cal. S. P. For., 1564-65, no. 110 (The Duchess of Parma to the Burgesses of Antwerp, 27 Jan. 1564).

³Cal. S. P. For., 1564-65, no. 187 (English Merchants in Friesland, 22 Feb. 1564).

⁴G. D. Ramsay, The City of London, pp. 236-237.

with a cargo of some 75,000 pieces of cloth.¹ All the accumulated stocks of goods in London's warehouses could now be exported, and the wheels of commerce started once more. England's economy had been saved.²

On the whole, however, the adventure at Emden was not too successful. Emden was a small mart. Philip's Regent at Brussels had prohibited her merchants from trading there, and few Italian and German merchants were attracted. The market petered out rapidly and, in the end, the English merchants were forced to peddle their wares in Germany. But the very fact that England had an alternative, that she had effectively circumvented Antwerp by establishing a mart at Emden, considerably strengthened England's bargaining position with the Spanish Netherlands when negotiations for the resumption of trade were undertaken by the new Spanish ambassador, Guzman de Silva, and Cecil.³

Both sides had suffered considerable distress from their mutual embargoes and reprisals because of the very nature of their long-established commercial interrelations and dependency. Indeed, Cecil himself had realized that an early settlement of the dispute was imperative:

We here do see it very necessary to return to the Low Countries, for although it were to great purpose to divert some part of our trade from thence, and is seen possible, yet the matter was not so foreseen, considering it fell out upon a casualty, but that our country shall

¹ Read, Mr. Secretary Cecil, p. 292.

² G. D. Ramsay, The City of London, pp. 237-238.

³ Read, Mr. Secretary Cecil, p. 292.

not be presently able to endure the holding out. One of our greatest lets is the lack of revenue for the Queen of the customs, the second is the sudden stay at home of the people that belong to cloth making.¹

In the event, a treaty for the reopening of trade was quickly concluded in 1565.² England's merchants returned to Antwerp, and normal trade between England and the Netherlands resumed. But the merchants were ever mindful of Antwerp's instability, and sought to insure themselves against the recurrence of such a set-back.

Since the mart at Emden had fallen short of expectations, the Merchants Adventurers undertook negotiations with Emden's envious neighbour, Hamburg, and received extensive trading privileges in 1566.³ No attempt was made to exploit these privileges immediately, but it soon became apparent that their return to Antwerp would only be a temporary respite. The sharp deterioration of internal conditions in the Low Countries and, above all, the Anglo-Spanish embargo of 1568-73, precipitated by Elizabeth's seizure of Alba's pay-ships,⁴ forced the Merchants Adventurers to relocate their staple

¹As quoted in Read, Mr. Secretary Cecil, p. 293. See also P.R.O. S.P.D. Eliz., vol. XXXV, no. 33 ("Memorandum by Cecil on the Export Trade in Cloth and Wool, 1564 (?)") as printed in Tawney and Power, Tudor Economic Documents, vol. 2, pp. 45-47.

²Read, Mr. Secretary Cecil, pp. 292-294.

³Cal. S. P. For., 1566-68, nos. 2713, 2714. The privileges are given in R. Ehrenberg, Hamburg und England im Zeitalter der Königin Elizabeth, (Jena, 1896) pp. 312-326.

⁴Vide supra, pp. 14, 30. See also Scott, Joint-Stock Companies, pp. 48-53.

again: this time to Hamburg. In contrast to Emden, the mart at Hamburg proved a great success and England was able to go through the breach of relations with Antwerp without too much difficulty.¹

For a second time, Elizabethan England had managed to circumvent successfully the increasingly hostile policies of the King of Spain and his Regents in the Netherlands. These events were of great significance. Combined with her domestic achievements towards economic self-sufficiency, England's transfer of her cloth export traffic to alternate marts had substantially lessened her traditional dependence on Antwerp. Of equal significance was the fact that the trading privileges England acquired from the German cities achieved a broad breach in the Hanse's monopoly. Although the presence of English traders in the Hanse's monopoly preserve now presented the League with a better opportunity to retaliate for the loss of its privileges in 1552, and all of the subsequent rebuffs and humiliations,² try as it might, its lack of solidarity and growing internal dissolution could no longer prevent English penetration. Indeed, the shifting of marts, and all the uncertainties this had engendered, caused many English merchants to enter directly into the Baltic trade to acquire the vital raw materials,

¹Read, Mr. Secretary Cecil, p. 434.

²For a good summarization of the Hanse's numerous efforts and representations, see G. D. Ramsay, The City of London, pp. 158-162.

foodstuff and naval commodities, at firsthand.¹ In the context of the general search for new "vents" and the foundation of the Eastland Company, this was of primary importance.

¹For an interesting account of the general effects on trade when a staple is moved, see T. S. Willan, Studies in Elizabethan Foreign Trade (Manchester: Manchester University Press, 1959) chapter 2, especially pp. 50-51.

CHAPTER IV

THE NORTHERN QUEST: PHASE II

Early English Trading Ventures Into The Baltic

While the Merchants Adventurers in alliance with successive Tudor governments were effectively turning the table on Hanseatic merchants in England, and successfully establishing inroads in north-western Germany, growing numbers of independent English merchants began to join Dutch and South German trading fleets breaking the hegemony of Lübeck and its associates in the Baltic. The facts regarding this incursion are far from clear, but the transformation was momentous. In the fifteen-forties, English ships rarely appeared in the Baltic, by the sixties, the preponderant share of the trade between England and Eastland was carried in English bottoms.¹

Of course, the growing presence of English traders was by no means limited to the Baltic. The trade that had previously concentrated on the Low Countries was being redistributed into wider geographical channels. Sheer economic necessity was directing the trading interests of English merchants to Russia, the Iberian peninsula, the

¹G. D. Ramsay, English Overseas Trade, pp. 102-104.

Levant, and to Africa as well.¹ Indeed, this expansive trend gave birth to several great companies other than the Eastland; the Muscovy, the Spanish, the Levant, and the African companies.²

While R. W. K. Hinton's view that "the opening of the Eastland trade was only the removal of one strand of the old trade to a more distant market" is essentially correct,³ it is important to stress the fundamental fact that there was a very strong basis for a substantial trade between England and the Baltic. Both regions needed each other's products. With economies based largely on raw materials, agricultural and forestry products, the Baltic countries supplied England's need for all kinds of good quality, yet cheap raw materials;⁴ and with its still poorly developed crafts production, the Baltic market represented a considerable outlet for the disposal of the products of England's increasingly developed crafts and manufacturing industries--notably cloth. Moreover, England's exports to the Baltic probably earned more in that market than anywhere.

¹R. W. K. Hinton, The Eastland Trade and the Common Weal in the Seventeenth Century (Cambridge: Cambridge University Press, 1959; reprint ed., Hamden, Conn.: Archon Books, 1975), pp. 1-2.

²One of the major works on this subject is Scott, Joint-Stock Companies.

³Hinton, Eastland Trade, pp. 1-2.

⁴For a description of the economic make-up of the Baltic countries, see M. Malowist, "The Economic and Social Development of the Baltic Countries from the Fifteenth to the Seventeenth Centuries," Economic History Review, ser. 2, vol. 12, no. 2 (1959), pp. 177-189.

else because the exports were mainly finished cloth (whereas the Antwerp market absorbed predominantly unfinished cloth), and because England's merchants carried the trade directly to the market and thereby eliminated the additional expense of foreign intermediaries in the cost structure.¹

English ventures into the Baltic were by no means a recent phenomenon. As Henryk Zins noted: "England's commercial relations with the Baltic countries were among the oldest, most constant, and enduring in her early history."² While the lack of documentation makes this subject an obscure one, according to German sources, English merchants seem to have frequented the Baltic as early as the thirteenth century.³ Early trading ventures were mostly those of individual merchants, but by the end of the fourteenth and the beginning of the fifteenth century, attempts were made to organize these activities and to acquire privileges. In 1388, an agreement was reached between England and the Teutonic Order for rights in Prussia; in 1390 and 1391, Richard II issued privileges for the founding of a trading post in Danzig, and these were further confirmed by the Crown in 1404 and 1428.⁴

¹Hinton, Eastland Trade, pp. 1-2.

²Zins, England and the Baltic, p. 8. The following paragraphs are largely based on his excellent sketch of England's early trading relations with the Baltic: chapter 1.

³*Ibid.*, pp. 10-11.

⁴*Ibid.*, pp. 11, 13-15. One of the oldest documents granting trading privileges in the Baltic area is printed in Rymer, Foedera, vol. 3, pt. 4, p. 66; vol. 4, pt. 1, pp. 125,

But right from the beginning, as was previously indicated, all of England's trading ventures to the Baltic came up against the antagonism of the dominant trading power in northern Europe, the German Hanse.¹ Appeals to the principle of reciprocity in trade agreements notwithstanding, England's conflict with the Hanse in the Baltic grew in frequency and severity from the last quarter of the fourteenth century onwards. The conflict was characterized increasingly by mutual repressions and chicanery, the suspension of privileges, outright piracy, and the confiscation of goods.² England could not break the Hanse's monopoly. The trade of her merchants in the Baltic showed a general tendency to decline, and by the middle of the fifteenth century, England's Baltic policy had collapsed. (In part, this was undoubtedly also due to the economic exhaustion and diminishing importance of England as a result of the Hundred Years War and the War of the Roses.)³

Despite the extent of the Hanse's intervention in England's trade with the Baltic countries, individual merchants still continued to frequent the Baltic and the English even managed to hang on to their trading post in

165; as well as Scott, Joint-Stock Companies, pp. 8-9.

¹Vide supra, pp. 49-54.

²Henryk Zins noted that the two source works, the Hanserecesse and the Hansisches Urkundenbuch, are packed with information on this subject. Numerous instances are also mentioned in the Calendar of Patent Rolls for this time period.

³Zins, England and the Baltic, p. 16.

Danzig until the 1470s.¹ To a large extent this is explained by the growing lack of cohesion and the contradictions in the Hanse due to differing economic and political interests. But of more immediate consequence was the simple fact that English trade, especially Anglo-Danzig trade, was just too lucrative for both parties. While it is difficult to determine the exact dimensions of this trade from surviving documents, it has been suggested that even those figures which are available are substantially deflated because of the well-developed smugglers' trade of the times.² As Henryk Zins noted:

England's trade with Danzig brought both sides such considerable profit that it was carried on even in the face of the severest conflicts and various kinds of restrictions. At such times it went on secretly, for instance through Hel or Puck, which was obviously a disguised form of trading with Danzig.³

By the 1470s, however, particularly after the unusually favourable terms accorded the Hanse by Edward IV in the treaty of Utrecht in 1474,⁴ the trading post in Danzig all but came to an end. During the following several decades, English merchants rarely turned up in Baltic ports.

¹ Zins, England and the Baltic, pp. 17, 19-20.

² Ibid., pp. 19-20. For a good account of the general prevalence of smuggling, see G. D. Ramsay, "The Smugglers' Trade: A Neglected Aspect of English Commercial Development," Transaction of the Royal Historical Society, ser. 5, vol. 2 (1952), pp. 131-157.

³ Ibid., p. 20.

⁴ Rymer, Foedera, vol. 5, pt. 3, pp. 36-40. See also Cunningham, English Industry and Commerce, vol. 1, pp. 417-422.

England's Baltic trade came increasingly into the hands of the Hansards, as well as other foreigners, and English merchants tended to confine their direct trading activities to the Netherlands and France.¹

The attempts of the early Tudors to lessen England's dependence on foreign intermediaries,² as was indicated previously, did not substantially improve the position of English merchants in the Baltic. Even as late as the middle of the sixteenth century, the Crown had to negotiate with the Hanse for the purchase of vital Baltic commodities necessary for the maintenance of England's fleet.³ While England's policies against the Hanseatic League were of great domestic import, it was not until the Elizabethan era that the commercial penetration of the Baltic by England's merchants became possible on any large scale. Only after the Hanse's economic role in England had been substantially eliminated and supplanted by native shipping activities, and only after the increasingly divergent economic and political aspirations of the League's constituent elements had caused a substantial deterioration in the Hanse's internal cohesion, could England's trading penetration of the Baltic meet with any degree of success.

We have seen how the first of these necessary

¹Zins, England and the Baltic, pp. 22-23.

²See the various navigation acts in the Statutes of the Realm, particularly vol. III, 32 Hen. VIII., c. 14 (The Mayntenaunce of the Navye).

³Vide supra, pp. 10-11, 24, 38-41.

preconditions was achieved.¹ The revocation of the Hanse's privileges had effectively spelt an end to the control over English overseas commerce which they had exercised through their staple at London. And England's shipping industry, from its nadir in the mid-sixteenth century, had experienced a great expansion during the two following decades:² the fisheries and coal shipping industries grew significantly as a result of new developments and favourable legislation;³ the promise of "private enterprise" (or more simply stated, sea-plunder) in the war with Spain also added its stimulus to the growth of English shipping;⁴ and finally, the growing disrespect of Spanish and Portuguese rights and claims had removed all obstacles to English mercantile ventures in the New World. But the single most important factor in the expansion of England's mercantile enterprises and shipping industry, other than the need of defence, was clear economic necessity. The disruptions in the Netherlands and the collapse of Antwerp as the international centre for seaborne trade, caused the shrinking and the closing of the main highway to the old commercial markets nearby, which had long been England's traditional customers and suppliers.⁵

¹Vide supra, pp. 31-44.

²Davis, English Shipping Industry, p. 2.

³Vide supra, pp. 38-41. On coal shipping, see J. U. Nef, The Rise of the British Coal Industry, 2 vols. (London: George Routledge & Sons, Ltd., 1932).

⁴Andrews, Elizabethan Privateering, pp. 15-16.

⁵On the final collapse of Antwerp, see "The Spoil of

England was faced with the urgent necessity of finding new outlets for the disposal of her cloth, and to seek directly at source the vital imports Antwerp had previously provided.

The combined effect of all these factors not only caused an expansion in England's merchant shipping fleet (both in quantity and in kind, for the far more distant and dangerous voyages now undertaken required a larger, better armed merchantman than the short cross-channel trips), but also provided England with the means to lessen her dependence on foreign intermediaries.¹ Yet, despite the significant improvements in England's capabilities, it is important to note that Elizabethan England was still confronted with enormous obstacles in the ensuing search for new "vents", particularly in the Baltic.

It was hardly to be expected that the Hanse would be more inclined at this date to respect the reciprocal liberties due England's merchants in Prussia or other Hanse places, than they had been when these privileges were first granted by the Treaty of Utrecht concluded with Edward IV.² Indeed, the very fact of the Hanse's continued determined

Antwerp" in Thomas Seccombe, ed., Tudor Tracts 1532-1588 (New York: E. P. Dutton & Co., 1903(?)), pp. 419-449.

¹For a calculation of the extent of the increase in England's merchant shipping during the years 1561-82, see Davis, English Shipping Industry, pp. 6-8.

²The Privy Council indicated the essentials of these privileges, in a translated form, in the document which first revoked the Hansards' privileges in 1552. See A.P.C., vol. III, 1550-52, pp. 487-89; also, "Revocation of the Privileges of the Hansards, 24 Feb. 1552" in Tawney and Power, Tudor Economic Documents, vol. 2, pp. 34-37.

opposition to the attempts of English merchants to penetrate the Baltic with their trading ventures was well noted and had an important bearing on the Privy Council's decision to revoke the Hansards' privileges in the first place: the Anglo-Hanseatic understanding of Edward IV's day ". . . hath been and is dayly much broken, and specially in Dansick, not only by prohibiting Englishmen frely to buy and sell there, but also in leving uppon them new exaccions and impositions contrary to the said Treaty," and further, ". . . notwithstanding that divers requests hath been made . . . for the present redresse of suche wronges as hath been doone to thenglishe merchauntes contrary to the said Treaty, yet no reformation hath hitherto ensued."¹

As the main port in the Baltic, the gateway to Prussia and Poland, Danzig held a near monopoly over the provisioning of naval stores, munitions, and foodstuffs. For that reason alone, the majority of England's independent Baltic merchant shipping tended to focus on that stubbornly independent city. But when England revoked the Hanse's privileges, when the number of English traders in the Baltic steadily grew, and, in particular, as a growing share of Danzig's trade with England came to be carried in English ships,² the Danzigers became increasingly reluctant to accept the novelty of this situation. In their resentment, the Danzigers pursued more drastic measures and harassed the

¹A.P.C., vol. III, 1550-52, p. 489.

²G. D. Ramsay, English Overseas Trade, p. 108.

English merchants to such a degree that the merchants, in desperation, were finally compelled, in 1577, to appeal and petition the Privy Council directly with "A Compendious declaration of such Iniuires, barbarous usances, and unfrendlie behaviors . . . (as the) lordes of the Towne of Dansicke ministred, shewed, and unnaturallie executed in, to and upon the merchauntes, Owners, masters, and mariners of England"¹

Elizabeth's attempt in 1560 to reconcile the differences between her subjects and the Hanse was of little avail,² and the oppression of the English merchants in Danzig continued unabated.³ The high-handed conduct of the Danzigers is well illustrated by the manner in which they worsted the English, later in the decade, in the several attempts the English made to force Danzig to do justice to the merchant William Marten, who was pursuing a case going back to the thirties. The intervention of the Privy Council and Queen Elizabeth herself, on behalf of their subject, was rebuffed and even met with open hostility. When no satisfaction was obtained, and when the Danzigers' reciprocal seizure of all the English ships that came into their harbor

¹Lansdowne 170, f. 201, as quoted in N. R. Deardorff, "English Trade in the Baltic During the Reign of Elizabeth," in Gerson et al., Studies in the History of English Commerce in the Tudor Period (Philadelphia: University of Pennsylvania Press, 1912), pp. 240-241. See also A.P.C., vol. VI, 1556-1558, p. 379.

²Cal. S.P.For., 1560-61, no. 390, (Articles Delivered to the Hanse Towns, 5, Aug. 1560).

³Ibid., Add., 1547-65, pp. 519-520.

threatened much financial distress among the Eastland merchants, Elizabeth was finally forced to drop the case and ask her merchants to provide relief for William Marten.¹

This situation could not last indefinitely, for as Henryk Zins noted, the final and decisive phase of England's rivalry with the Hanse, from the middle of the sixteenth century to the founding of the Eastland Company, occurred against background tendencies of great significance:

It occurred during a period which saw two opposing historical processes at work, of which only one--that being accomplished in England--was an expression of contemporary progressive tendencies and embodied the aims of a modern State. Under the patronage of the Tudors' centralized monarchy, representing the national aspirations of a society moving away from feudalism, the English mercantile class, overcoming medieval particularism, even if only by organizing national general trading companies, took up the struggle to find new markets for its expanding commerce. During this same period diametrically contrary processes were occurring within the Hanse. The medieval concept of the Hanseatic League was in contradiction to contemporary national trends. The Hanse had long been in a state of crisis due to various circumstances, notably internal dissolution, the break-up of the League's solidarity, but above all the formation of economic areas which no longer needed the services of medieval middlemen.²

By the end of the sixties, the scales began to tip on the side of the English merchants. The unmistakable decay and disintegration of the once so powerful and autocratic Hanseatic League had eroded its authority to the

¹Deardorff, "English Trade in the Baltic," pp. 242-244; Thomas R. Rumsey, "England, Poland and the Baltic, 1550-1640: Studies in Trade and Diplomacy" (Ph.D. dissertation, University of Virginia, 1972; University Microfilms International, Ann Arbor, Mich., 73-31,158), pp. 254-256. A.P.C., vol. IX, 1575-1577, p. 199.

²Zins, England and the Baltic, p. 57.

point where it could no longer assure the integrity of its own member cities, let alone dictate commercial restraints to the vigorous young national trading organizations which were penetrating its monopoly preserve at that time.¹

Of course the Hanse still scored some successes. The English presence at Hamburg had aroused such strong condemnation from certain indignant members of the League, notably the city of Danzig, that the patricians of Hamburg were finally compelled to refuse the Merchants Adventurers' application for a renewal of their residence at the expiry of the ten-year agreement in 1577;² and the Danzigers' harassment of the English merchants in their city proved most disruptive of trade. But these victories were short-lived. Instead of the hoped for concessions at the Steelyard, which the Hanse thought Elizabeth would be forced to grant them in view of the cessation of trade at Hamburg, the privileges which the League had enjoyed since 1560 were curtailed and the Hanseatic merchants were reduced to the same level in trading and fiscal matters as other foreign merchants in England.³ The Merchants Adventurers were

¹Deardorff, "English Trade in the Baltic," pp. 244-45.

²Zins, *England and the Baltic*, p. 59. See also *Cal. S.P.For.*, 1578-79, no. 29 (Answer of the Senate of Hamburg to the Merchants Adventurers, 20 June 1578), and *ibid.*, no. 503 (Thomas Egerton to Burghley, 10 Jan. 1579).

³P.R.O. S.P.Dom. 12/127, no. 5, as cited in Zins, *England and the Baltic*, pp. 58-60. See also *Cal. S.P.For.*, 1578-79, no. 503 (Thomas Egerton to Burghley, 10 Jan. 1579), no. 644 (Privy Council to the Alderman and others of the Steelyard, 7 April 1579); and Szalagowski and Gras, "The Eastland Company in Prussia," pp. 166-167.

welcomed back to East Friesland, and they transferred their mart to Emden again, whence it was moved to Stade and back to Emden once more before finally returning to Hamburg in 1611.¹

It is clear that the German cities on the North and the Baltic Seas alike well understood the economic advantages accruing to a city in which the English merchants established their mart: their presence would greatly increase port traffic, attract many foreign merchants, and create work for their local industries.² We have seen how this irresistible attraction was operative in the case of Emden, and how her envious neighbour, Hamburg, defected from the principles and policies of the League in 1567. As N. R. Deardorff noted: "These, with similar lapses on the part of other towns, left only time wanting for the complete triumph of the English and the rout of the Easterlings."³

In this sense, the factors which allowed England to create a broad breach in the Hanse's monopoly preserve in northwestern Germany largely satisfy the above mentioned second precondition. Far from having trade broken off, the great part of the commercial intercourse between northwestern Germany and England came into English hands.⁴ The

¹G. D. Ramsay, English Overseas Trade, pp. 105-106. See also Cunningham, English Industry and Commerce, vol. 2, pp. 227-228.

²G. D. Ramsay, English Overseas Trade, p. 105.

³Deardorff, "English Trade in the Baltic," p. 245.

⁴Cunningham, English Industry and Commerce, vol. 2, pp. 227-228.

fact that the policy of playing off one German city against another had proved so successful now loomed of great significance. The possibility of establishing a mart in the Baltic other than at Danzig, in order to assure England's supply of vital Baltic commodities, was actively considered. It now remains to indicate how Elizabeth's government and merchants further exploited the growing disintegration of the Hanseatic League's internal cohesion, and expanded their trading enterprise directly into the Baltic.

In this, the English merchants were afforded a most propitious opportunity as a result of Danzig's revolt against Poland in 1577, and the legacy of bitterness left in the wake of Danzig's subsequent attack on Elbing. As will be indicated below, it was not without reason that by the end of the sixteenth century the English merchants were able to speak of the Hanse as the institution "upon whose ruynes we were built."¹

The Revolt of Danzig

Though East Prussia had come under Polish hegemony, Danzig remained stubbornly independent and defended her position by virtue of the near monopoly she held over the Eastland trade, her membership in the Hanseatic League, and her attempts to develop closer relations with other Baltic powers. From the 1560s onwards, when Sigismund Augustus of Poland launched a fleet of privateers in the Baltic to

¹B.M., Sloane MSS, 25. f. 13, as quoted in Deardorff, "English Trade in the Baltic," p. 245.

harass the commerce of his enemies in Poland's wars against the Muscovites and Sweden, Danzig's relations with her Polish overlords began to worsen considerably. Poland's foreign policy was causing a serious interdiction of Danzig's trade. The political crisis of two interregna in Poland, following the death of Sigismund Augustus in 1572, hindered any settlement of the dispute; and Danzig's efforts to gain the support of Denmark (which had grown increasingly alarmed over Poland's naval aspirations), as well as her declaration favouring the Habsburg archduke Ernest, second son of Maximilian II, as King of Poland against the candidacy of Stefan Batory, only heightened the long-standing ill-feelings between Poland and Danzig.¹

The accession of Batory to the throne in 1576, and the application of his policy to give credibility to the Kingdom of Poland by attempting to unify the many heterogeneous elements of which it was composed at that time, greatly increased the rebelliousness of the Danzigers, who feared for their city's autonomy.² The course of Danzig's continuing struggle with Batory is well described by A. Szelagowski and N. S. B. Gras.³ For our purpose, it is only necessary to note that although the King resorted to arms in

¹Rumsey, "England, Poland, and the Baltic," pp. 252-260.

²Deardorff, "English Trade in the Baltic," pp. 287-288.

³Szelagowski and Gras, "The Eastland Company in Prussia," p. 163 *passim*.

order to subjugate the recalcitrant burghers, he soon realized that the most effective way to humble the proud and wealthy city lay in an attack upon its commerce.¹

For a long time, Danzig, situated at the western mouth of the Vistula, had served as the main depot through which most of the products of the broad plains of eastern Europe were shipped to other lands. Now Stefan, in alliance with the city of Elbing (situated on the eastern arm of the Vistula and which, much like Brugge a century earlier, had suffered partial decay because of a change in the channel of the river), banned trade with Danzig on 7 March 1577 and ordered that all Polish commerce pass through the port of Elbing.² This was soon followed, on 8 June, by Batory issuing a privilege to Elbing permitting free trade operations to all foreigners and outsiders in that city. Trade responded immediately to these inducements, and Elbing became an entrepôt for foreign merchants in the Baltic.³

Of course, Danzig retaliated in order to protect her trade and render her rival harmless. In September of that year, a joint Danzig-Danish fleet attacked Elbing, destroyed its port installations and partly burned the city. While

¹Deardorff, "English Trade in the Baltic," p. 288.

²As a point of interest, since the time of Sigismund Augustus, the Polish monarchy had published edicts by which it sought to raise Elbing from its state of decay. See Szelagowski and Gras, "The Eastland Company in Prussia," pp. 163-164.

³Zins, England and the Baltic, p. 60. Cal. S.P.For., 1577-78, no. 781 provides an example of a proclamation favouring the English merchants in Poland.

Elbing quickly restored the damages, it was clear that this time Danzig had more than overstepped the limits of prudence. As N. R. Deardorff noted, "they had . . . brought down upon their heads the enmity of those without whose co-operation they could not hold their position as absolute rulers of the Polish trade."¹ To the enmity which Stefan Batory and Elizabeth held for Danzig was now added the animosity of the burghers of Elbing. Although Elbing was a member of the Hanseatic League, under these circumstances it should hardly seem surprising that the city no longer considered itself bound to observe those principles of solidarity which had contributed so largely to Danzig's commercial success. The Elbingers now were eager to seize any opportunity which presented itself to seek revenge upon Danzig, particularly if this could be coupled with direct profits for itself. And such an opportunity was apparent in view of their shared animosity with England.²

We will see the struggle with the Hanse, in order to free them from the usurpation by strangers,"³ resting largely upon the city of Danzig: it was Danzig that assumed a leading role in expelling the Merchants Adventurers from Hamburg, and in bringing Hamburg back into the fold of the Hanseatic League;

¹Deardorff, "English Trade in the Baltic," pp. 291-2.

²Ibid., p. 292.

³In the words of the Eastland merchants, as stated in one of their representations to the Privy Council--Cal. S.P.Dom., 1659-1660, p. 283.

it was Danzig, as well, that with her repressive measures had made conditions so unendurable for the English merchants that the English considered themselves "not only used worse than strangers, but worse than Jews."¹ When Danzig revolted and subsequently devastated the city of Elbing, the English quickly recognized the unusually favourable opportunity provided them. The events on the Polish coast were seen as extraordinarily advantageous; indeed, Christopher Hoddesdon, who was to be one of the leading members of the future Eastland Company, wrote to Lord Burghley in October of that year and noted the attack on Elbing would do the Danzigers no good as it would turn the ire of the King of Poland even more against them.²

The foundation for an alternate Baltic staple had been laid. It was a propitious opportunity for England's merchants to strike a major blow against the pretensions of the Danzigers and, by relocating their trading post and transferring the main centre of England's Baltic trade to Elbing, free themselves from all the restrictions and harassments they had suffered in Danzig. Moreover, if privileges could be obtained in Elbing, that city's independent policy within the Hanseatic sphere could assure England's vital Baltic trading connections which stood seriously threatened by the fear that the Hanse might well act to close off the Baltic entirely to England in retaliation for its unsuccessful attempts to have its privileges restored.

¹Cal. S.P.For., 1578-79, no 664 ("A note whereby it may appear that the English nation are used in the Hanse towns worse than other strangers"), p. 495.

²Cal. S.P.For., 1577-78, Supplementary Letters (Hanse Towns) no. 9s (Hoddesdon to Burghley, 5 Oct. 1577), p. 429.

in England after the expulsion of the Merchants Adventurers from Hamburg.¹ Accordingly, as the Merchants Adventurers' residence in Hamburg was being closed down, English merchants approached the city council of Elbing about the possibility of establishing a residence in that city.² As will be indicated below, the receptiveness of the Elbingers towards the English merchants was more than the merchants could have hoped to expect. From that time onwards, as N. R. Deardorff noted:

. . . the question ceased to be one directly between England and the Hanse. The solidarity of the League had been irreparably broken. The English could now gain their ends quite independently of the League. With Elbing completely alienated from it, with the Polish King by no means well-disposed toward Dantzic, the English had at last found a situation in Prussia which made it possible to ignore the League.³

While these events provided England with an unusually favourable opportunity to deal a final blow against the German Hanse by circumventing the main Baltic port of Danzig through the establishment of a staple at Elbing, it is important to note that there were other compelling reasons which forced England to deal directly with Poland, and which led to the foundation of the Eastland Company and its residence in Elbing. England's desire to obtain trading privileges in the eastern Baltic must also be viewed in the larger context of the political, economic, and military demands imposed by the rapidly

¹Rumsey, "England, Poland, and the Baltic," p. 265; Szlagowski and Gras, "The Eastland Company in Prussia," pp. 168-69.

²Szlagowski and Gras, "The Eastland Company in Prussia," pp. 164-166; Zins, England and the Baltic, p. 61. Also, vide *infra* p. 102.

³Deardorff, "English Trade in the Baltic," p. 293.

escalating Anglo-Spanish conflict.

Policy Considerations in the Baltic:
Prerequisites to the Foundation of
the Eastland Company

England's involvement in the increasingly severe conflict between Spain and the Netherlands, and her reluctance to accept Spain's hegemony in the Atlantic, had made the threat of a direct military confrontation and invasion of England itself an evergrowing reality. We have noted how these considerations--in particular, the depredation of the Netherlands and the closing of the Antwerp mart--had compelled England to lessen her dependence on foreign intermediaries and geographically expand her trading ventures. The ensuing expansion, however, combined with England's economic policy of self-sufficiency, had so intensified her rivalry with the Hanseatic League that England's essential life-line to the Baltic market was seriously threatened. While it was hoped that with the discovery and development of a northern route to Russia, England would gain to some extent a measure of independence from the Hanse,¹ that hope was soon dispelled. England's trading connections with Russia did little more than seriously arouse the animosity of other powers towards England, and greatly jeopardized her efforts to acquire and maintain a foothold in the vital Baltic market.

¹Thomas Bannister and Geoffry Duckett, in a note to Cecil on 12 Aug. 1568, had suggested that the Russian trade would deliver England "out of the bondage of the King of Denmark and the town of Dantzick." Cal. S.P.For., 1566-68, no. 2415.

Denmark, the "janitor of the Baltic," became particularly resentful over the loss of Sound tolls from English vessels travelling via the northern route;¹ and Russia's western neighbours (who were usually in a state of war or uneasy peace with the Tsar) feared that England might outflank the cordon militaire meant to perpetuate Russia's military backwardness, and provide the Russians with contraband arms and munitions as well as technical assistance.² England's shipment of military supplies became an especial sore point when Poland, with Lithuania, Denmark, and Sweden, clashed with Russia over Livonia. Russia's capture of the port of Narva in 1558 created serious commercial and political problems for England, since the sudden new distribution of power in the Baltic evoked considerable consternation in the courts of the whole continent.³ As W. Kirchner noted:

All of Europe--the Catholic as well as the Protestant countries--felt insecure; and questions connected with the exchange of goods with Russia, no matter whether they concerned war materials or everyday commodities, gained unexpected importance. The German emperor, who saw his first task as the protection and preservation of the existing order, accordingly sent directions and requests for help to Spain, Sweden, Livonia, Lübeck, Poland and Denmark. He asked for cessation of the dangerous trade in Narva and, in the course of time, his efforts, prohibitions and directions, as well as

¹Kirchner, "England and Denmark, 1558-1588," pp. 1-2. See also Charles E. Hill, The Danish Sound Dues and the Command of the Baltic: A Study of International Relations (Durham, N. C.: Duke University Press, 1926), p. 54; and Roberts, The Early Vasas, p. 158.

²Kirchner, Commercial Relations, pp. 10-11; Willan, The Russia Company, pp. 13-14, 63.

³Kirchner, Commercial Relations, pp. 64-66.

similar ones by other rulers, were duplicated on many sides.¹

Fortunately for England, since the temporary partners in opposition to Russia all had their own aims and interests, their cohesion was ephemeral and inconstant. Competition and political maneuvering quickly deteriorated relations between these countries, and the effects of their early remonstrations to England were largely indifferent.² England's reaction changed, however, when it soon became apparent that the northern route to Russia could not substitute for the vital Baltic artery. Traffic to the north remained minimal compared with that which passed by the Sound, and this was not only the consequence of a shorter sailing season and much harsher weather conditions, but, once the Muscovy merchants arrived at their destination, their trading activities had to accommodate Russia's relatively primitive commercial infrastructure as well as the policies of an intemperate Tsar.³ In this context, the numerous protests to England, especially those from Poland, acquired much more serious import. Moreover, Sigismund Augustus' resort to privateering in the 1560s and his blockade of Narva during the Livonian Wars--steps intended partly in reply to the alleged English

¹Kirchner, Commercial Relations, p. 66. See also Willan, The Russia Company, pp. 13-14, 63-65. Some examples of the correspondence on this subject are found in Cal. S.P.For., 1558-59, no. 1208; *ibid.*, 1560-61, no. 367; *ibid.*, 1561-62, nos. 112, 156, 184, 217, and 294.

²Kirchner, Commercial Relations, p. 66.

³*Ibid.*, pp. 10-11. For a description of the Muscovy trade, see Willan, The Russia Company.

export of arms to Russia--had impeded England's trade in the Baltic and caused serious losses to English merchants.¹

Equally as crucial was the state of Anglo-Danish relations. A similar situation had arisen when the injudicious Livonian policies of both Denmark and Sweden led to war between them in 1563.² Now added to the animosity Frederick of Denmark held towards England over the loss of Sound dues, the long-standing friction over the problem of piracy, and the issue of English fishermen using the waters surrounding the Danish island of Iceland, was his threat to close the Sound if Elizabeth continued to supply Sweden, Norway, and Finland with war materials.³ For the time being, this threat lost much of its practical value since the Northern Seven Years War had itself been quite detrimental to trade in the Baltic. Moreover, the points of dissension between England and Denmark were the object of continuous--albeit dilatory--negotiations and, with the successful conclusion of the war in 1570, Denmark quickly enriched its treasury through the large increase in Baltic traffic and by raising the Sound dues.⁴ But in the ensuing

¹Zins, England and the Baltic, pp. 43-48. Rumsey, "England, Poland, and the Baltic," pp. 241-242, 246. See also Cal. S.P.For., 1566-68, nos. 2044, 2371, 2372, 2377, 2378, 2459; ibid., 1569-71, nos. 578, 2247.

²For an account of the Northern Seven Years War, see Roberts, The Early Vasas, pp. 116-253.

³Kirchner, "England and Denmark, 1558-1588," pp. 3-6. See also Cal. S.P.For., 1564-65, no. 912 (Memorial of the King of Denmark's Ambassador, 6 Jan. 1565), and no. 913 (Answer to the Ambassador of Denmark, 6 Jan. 1565).

⁴Ibid., pp. 1-9. See also Hill, Danish Sound Dues,

period, England faced grave external problems which made her increasingly dependent on Danish and Polish friendship.

Aside from commercial and military benefits, Tsar Ivan had repeatedly petitioned Elizabeth for a political alliance. The ending of the Northern War had made him all the more anxious since he now faced the combined hostility of all the Baltic powers, including the Holy Roman Empire. As T. S. Willan noted, "it was plainly impossible for Elizabeth to enter into such an alliance, for the Tsar's actual or potential enemies, especially Poland and Sweden, were not her enemies and she had no intention of incurring their hostility."¹ The rapidly deteriorating conditions in the Low Countries and the escalating conflict between England and Spain demanded Elizabeth's utmost attention. It was imperative that England lessen her disagreements with all those powers not under Habsburg influence, and guarantee her freedom of action by developing and maintaining good relations with them.²

This required Elizabeth to act with considerable discretion. An unqualified rejection of the Tsar's proposed alliance would have serious consequences for English trade with Russia, as was clearly indicated when Ivan, disappointed

pp. 63-66; Deardorff, "English Trade in the Baltic," pp. 234-39; and Willan, England and the Baltic, pp. 64-65.

¹ Willan, The Russia Company, pp. 99, 113. See also Ian Grey, "Ivan the Terrible and Elizabeth of England," History Today, vol. 12 (1962), pp. 648-55.

² Kirchner, "England and Denmark, 1558-1588," p. 6.

with Elizabeth's prevarications over his requests, granted rival privileges to interlopers and cancelled the Muscovy Company's privileges in 1570 (although the company's privileges were eventually restored).¹ However, when Ivan created new difficulties for England in 1573 by his demands over a strip of land to the north of Norway claimed by Denmark,² and when the revival of the war between Poland, Sweden, and Russia, at the end of the seventies, considerably hindered the commercial traffic in the eastern Baltic again (especially at Narva itself), the direction Elizabeth's Russian policy should take became increasingly clear. England's established trade with the Baltic countries, and her relations with the Baltic powers, were far too important to the realm.³

Although Elizabeth had not intended to offend any of the Baltic powers in her efforts to circumvent the Hanse, her Russian policy had ended up offending them all. While Elizabeth temporized, her continued--albeit surreptitious--support of Russia in its struggle over Livonia had made the threat of England's total exclusion from the Baltic very real. As Poland gained the upper hand in that struggle, Elizabeth's policy grew increasingly dangerous, especially in view of the sharply deteriorating relations between

¹Willan, The Russia Company, pp. 85-86, 98-99, 113. See also Willan's discussion on trade privileges as "a bargaining counter in the diplomatic game," p. 129.

²Kirchner, "England and Denmark, 1558-1588," p. 6.

³Willan; The Russia Company, pp. 113, 142.

England and the Hanse, and the precarious position of English merchants in Danzig. Politically, only two alternatives were possible for England to maintain her vital trade connections with northern Europe, and they were mutually exclusive. England could opt for the Muscovy connection, or else she had to establish connections with the Baltic ports under Polish control. With Russia losing in Livonia, Elizabeth's final rejection of Ivan's proposed offensive and defensive alliance clearly signified her choice--a choice which effectively recognized Poland's growing hegemony in the eastern Baltic.¹

Once this choice had been made, the government came to support fully the desires of its Eastland merchants to organize themselves into a regulated company, and to negotiate with the Poles and the Elbingers for trading privileges in that city (negotiations which, as we have seen, were not only welcomed by the Elbingers, but also greatly facilitated by the converging policies of Poland and England against Danzig).² The questions arises, however, just why some of these independent merchants who had been trading in the Eastland for a long time, without the protection of an organization, wanted to form a company and carry on a regulated trade. The obvious commercial aims of opening up a new branch of trade, or "to venture on some dangerous and

¹Rumsey, "England, Poland, and the Baltic," pp. 241-249.

²Ibid., pp. 249, 262-264.

distant voyage in search of certain highly prized goods," which were generally operative in the formation of contemporary sixteenth and seventeenth century trading companies, were clearly less applicable here since despite its element of risk, the Baltic trading connection was by now long established.¹ Instead, the answer to this question appears to stem more from political considerations rather than commercial ones:² the unsettled political conditions prevailing in north-western Europe, Elizabeth's newly chosen policy in the eastern Baltic, her desire to deal a final blow on Hanse pretensions, and the desire on the part of some of her merchants to move from Danzig to Elbing, came to involve both the Crown and the merchants in intense diplomacy.³

It could hardly be expected that the Hanse (already badly weakened by the growing might of the Scandinavian countries, the loss of privileges in England, and England's inroads in north-western Germany) would readily accept the losses and injuries ensuing to their towns if the English also succeeded in gaining a foothold in Elbing. Indeed, the Hanse, and the Danzigers in particular who were doing everything in their power to ruin the trade of the English merchants in their city, were appealing increasingly to the Emperor and the King of Poland, as well as other countries,

¹Deardorff, "English Trade in the Baltic," p. 248.

²G. D. Ramsay, English Overseas Trade, p. 109.

³Hinton, Eastland Trade, pp. 5-6.

for help against the English.¹ For England's merchants to effectively counter this new form of opposition, and to take full advantage of the overtures from Elbing for the establishment of a staple, they would have to strengthen their position in the Baltic and concert their actions and policies by organizing themselves into some form of association.²

That it should be a regulated company with a charter of privileges granted by the Queen was indicated by the fact that, as Sir Percival Griffiths noted: "(a) charter was the outward sign to the foreign government that the company operated under the aegis of the English Crown and that injuries to its members could be resented by the Crown and might provoke retaliation."³ Moreover, a regulated company was all the more desirable because the merchants would have to speak with a single voice in their negotiations with Elbing; negotiations which, in view of the existing fluid situation in the eastern Baltic, were long and arduous; which, by the same token, were expensive and the merchants would have to contribute to a common purse; and because, as we shall see later, once full rights and trading privileges

¹Szelagowski and Gras, "The Eastland Company in Prussia," p. 176.

²G. D. Ramsay, English Overseas Trade, p. 109.

³Sir Percival Griffiths, A License to Trade: The History of English Chartered Companies (London: Ernest Benn Ltd., 1974), p. xi. See also Pauline Croft, The Spanish Company (London: London Records Society, 1973), pp. ix-x; and Scott, Joint-Stock Companies, pp. 34-38.

were granted and the English merchants established their residence in Elbing, they undertook to confine their commercial activities to that city alone.¹

All these factors clearly indicated the need for some controlling form of organization. But there were two other important considerations running parallel with these factors which precipitated the formation of the Eastland Company: the problem of piracy and the international complications arising therefrom, and Denmark's policy in the Sound.²

Partly as a result of the unsettled political conditions prevailing in north-western Europe, but especially because of Elizabeth's political strategy and war policy in her struggles with France and Spain, and the maritime ambitions and activities of her subjects, sea plunder came to be resorted to with such growing frequency that during the sixteenth century it became the characteristic form of maritime warfare.³ Essentially, the "embodiment of private initiative and enterprise,"⁴ this form of sea war, as K. R. Andrews noted, "attracted all kinds of men, from criminals to noble lords, and took forms which varied from uninhibited piracy to licensed privateering."⁵ In times of crisis, the

¹Hinton, Eastland Trade, pp. 5-6. Vide infra p. 103.

²Hill, Danish Sound Dues, attempts to present the general problem of Denmark's Sound policy, but it is a rather feeble work.

³Andrews, Elizabethan Privateering, pp. 6-7, 16. See also Scott, Joint-Stock Companies, p. 47.

⁴Ibid., p. 6.

⁵Ibid., p. 15.

pirates and gentlemen who turned to the sea to do themselves and, incidentally, the queen a service, could be quite useful --provided they concentrated on the right prey. But even though the field came to be dominated by a small group of London's merchant magnates (who most profitably--and blatantly--combined trade and plunder in the same voyages), the business of sea-plunder soon degenerated into the more frequently practiced act of ordinary indiscriminate piracy.¹ While Elizabeth was quick to recognize and condemn pirates as a social evil, the government's attempts to suppress them were unavailing.² As K. R. Andrews noted, the reckless behavior of privateers under English license were not only to prove "a continual source of embarrassment to legitimate traders who relied upon the goodwill of foreign governments," but, on occasion, seriously strained England's relations with the Dutch and the Hanse, as well as with Poland, Denmark, and Sweden.³

In this context, it is easy to understand how the issue of piracy came to have a direct bearing on the foundation of the Eastland Company. It was obvious that a trading organization would not only reduce the risks attendant on long voyages through waters infested by pirates

¹ Andrews, Elizabethan Privateering, pp. 15-16, 100-102.

² For examples of government proclamations against piracy, see Paul L. Hughes and James F. Larkin, eds., Tudor Royal Proclamations: The Late Tudors (1553-1587), vol. 2 (London: Yale University Press, 1969), nos. 450, 482, 526, 562, 563, 585, 609.

³ Andrews, Elizabethan Privateering, pp. 227-228.

of various nationalities, but more important, England's merchants would be in a much better position to deal with the international complications and inevitable retaliations arising from the all too frequent spoiling of foreign shipping by English pirates. Indeed, the case that precipitated matters was the pillaging in 1577 of a Danish merchant's ship by the English pirates, Hicks and Callice.¹ The Danish government took up the grievances of its subject, Jan Peterson, and demanded that England punish the pirates and return the pillaged goods,² but since they had long been disposed of, the Privy Council, in order to mitigate the dispute, decided that the victim should be recompensed out of the sums imposed as fines "uppon suche as shoulde be founde to have ben dealers withe pirattes, according to a Comission graunted from her Majestie to that pourpose." This resulted in a provisional payment of two hundred pounds sterling of the thirteen hundred pounds claimed, and Peterson was to receive the rest "as it was from tyme to tyme to be leavied uppon the pffendours." Apparently, Peterson thought this too tardy a form of justice and he soon departed for Denmark protesting against England's negligence and dilatoriness.³

¹A.P.C., vol. X, 1577-78, pp. 57-58. See also Deardorff, "English Trade in the Baltic," pp. 248-249.

²Cal. S.P.For., 1577-78, no. 364 (The King of Denmark to the Queen, 22 Oct. 1577).

³A.P.C., vol. X, 1577-78, pp. 83, 193; see also pp. 146, 162.

In view of these circumstances, it was greatly feared that Denmark might adopt a policy of reprisals against English merchants in the Sound unless more effective measures were taken to indemnify the irate Jan Peterson.¹ At this point, according to N. R. Deardorff, the government took the attitude that since it was the merchants who had the most to lose if Denmark undertook any repressive measures, it was only fair that they should also be assigned the responsibility of preventing such a contingency.² In consequence, the Privy Council requested the Lord Mayor of London to persuade all merchants engaged in the Baltic trade "to leavie amongst them selves . . . soe muche money as remaynethe to be payed unto the said Peterson."³ The result was the compilation of a list of 141 merchants from London, Hull, Newcastle, Ipswich, and Harwich, who pledged themselves to pay the outstanding amount due;⁴ but as would appear from the documentation, it took some time before the issue was finally settled.⁵

The importance of this case, however, goes beyond the simple fact that restitution was achieved. In its inability to deal effectively with the problem of piracy, the government had turned to its merchants trading into the

¹Deardorff, "English Trade in the Baltic," p. 249.

²Ibid., p. 252; A.P.C. vol. X, 1577-78, p. 193.

³A.P.C., vol. X, 1577-78, p. 193.

⁴P.R.O. S.P.Dom., 12/127, no. 73, as cited in Zins, England and the Baltic, p. 66.

⁵A.P.C., vol. X, 1577-78, pp. 193-194, 277-78, 280.

"Est Partes" to defray the costs and help defuse the international complications arising from the indiscriminate depredations by English pirates and privateers. Although temporary measures could have met the case of Jan Peterson,¹ this incident served as a contributory occasion to the foundation of the Eastland Company in that it sharpened the realization that some form of organization would greatly facilitate the practical problems associated with allocating an equitable distribution of the financial burden among the merchants;² a burden which came to include contributing towards the costs of maintaining foreign embassies, once it occurred to the Privy Council to use the help of the merchants to send a delegation to the King of Denmark for the purpose of negotiating upon the question of Sound tolls, as well as other issues in dispute.³ Company organization would also provide the merchants with an effective means of bringing their grievances to the attention of the government for administrative remedies; and to this the government was quite amenable for, conversely, company organization would provide it with channels for the transmission of government pressures and thereby facilitate its administrative responsibilities.⁴ Indeed, the government adopted a most

¹ Hinton, Eastland Trade, p. 5.

² Deardorff, "English Trade in the Baltic," p. 252.

³ A.P.C., vol. X, 1577-78, p. 266. See also Kirchner, "England and Denmark, 1558-1588," pp. 1-15.

⁴ Davis, English Overseas Trade, pp. 46-47. See also Cunningham, English Industry and Commerce, vol. 2, p. 221; and Unwin, Studies in Economic History, p. 133.

favourable attitude towards the idea of an organization of merchants trading into the Baltic. According to N. R.

Deardorff:

Apparently the authorities felt that they had much to gain and nothing to lose. In the future when such cases as that of Peterson arose and menaced the Baltic trade here would be an organization which could assume responsibilities. In fact the government might simply delegate powers to the Company "to th'intent that suche disorders as happened heretofore in that trade might be avoyded and prevented." This organization might be given "libertie for that purpose to make actes and orders for their better government, and autorite to sequester, commit; and fine the transgressours therof." Furthermore here was another instrument with which to work toward the attainment of that most praiseworthy object, the expansion of English commerce. Indeed here was an effective and impartial "plat for all parties interested."¹

The Foundation of the Eastland Company

The combined effect of all the above mentioned considerations not only had a direct impact upon the state of England's vital mercantile connections with the Baltic, but also largely established the necessary preconditions for the foundation of the Eastland Company. As Henryk Zins noted: "The English merchants were faced more and more clearly with the need for an organization which would set itself the task of guarding their trading interests and taking political or diplomatic action if necessary."² Accordingly, a group of Eastland merchants undertook steps to effect a company organization, and on 26 July 1579,

¹Deardorff, "English Trade in the Baltic," p. 253.

²Zins, England and the Baltic, p. 66.

formally presented, through the Privy Council, a petition to the Queen requesting that "by her Highnes' Letters Patentes she would vouchsafe to make them a Companie and Fellowshipe Incorporate, and in that respect to graunte unto them certaine priviledges."¹ A few weeks later, on 17 August 1579, the Queen granted this desire and chartered the merchants under the official name of "Governours assistautes and Felloshipp of Marchaunte of Eastland."²

Having thus orgainzed themselves, the Eastland merchants could now more effectively concert their actions and policies, and strengthen their position in the Baltic. The discussions with Elbing, which had begun as early as the latter half of 1578, were elevated to the level of formal negotiations for privileges shortly after the Eastland Company received its charter.³ In November 1579 a committee of five merchants appeared before the Elbing city council, in the capacity of representatives of the Queen and the new society, and offered to transfer all the English trade from Danzig to Elbing provided the Company obtained considerable trading and taxation privileges, as well as a guarantee of the right to withdraw from the city with all of their goods

¹A.P.C., vol. XI, 1578-80, p. 205.

²The charter of the Eastland Company is found in the Patent Rolls, 21 Eliz., part II. Extensive portions of it are printed in the appendix of the volume, The Acts and Ordinances of the Eastland Company, in the publications of the Camden Society, series 3, vol. 11 (London: Offices of the Royal Historical Society, 1906), Maud Sellers, ed. All references to the Acts and Ordinances are made to this volume.

³Vide supra, p. 86.

and property should the Company's liberties or privileges be abridged.¹ With this offer the magistrates of Elbing found no fault. The city council willingly conceded the "Libertie of trafficque" to the English and they also promised to use their influence with the King of Poland so that the merchants would be free from the "malevolence and iniquity of others," the reference being, of course, to the Danzigers.² In turn, the English expressed their satisfaction with this working agreement and the Privy Council immediately issued an order by way of "Five severall letters to the Customers and officers of the portes of London, Hull, Newcastle, Ipswiche and Lynne. . .," that all English ships sailing to the Baltic were to discharge their merchandise only at Elbing.³ From that moment, Elbing officially became the sole Baltic entrepôt for English goods, (although the transference of the English mart from Danzig to Elbing was not finally completed until some time in 1583).⁴

¹These merchants were George Ruchs, Robert Walton, Matthew Gray, Thomas Gorney, and John Briks. See Cal. S.P. For., 1583 and Addenda, no 551 (The City of Elbing to (Walsingham?), 24 Nov. 1579).

²S.P. Poland, I, no. 4, as quoted in Deardorff, "English Trade in the Baltic," p. 294. See also Cal. S.P. For., 1583 and Addenda, no. 551 (The City of Elbing to (Walsingham?), 24 Nov. 1579).

³A.P.C., vol. XI, 1578-80, p. 378.

⁴Zins, England and the Baltic, pp. 67, 74, 125-128. See Deardorff, "English Trade in the Baltic," pp. 299-301, concerning the suspicions John Rogers, the Eastland Company's Commissioner, and the authorities of Elbing voiced about the reluctance of some of the English merchants to leave Danzig; also Cal. S.P. For., 1583 and Addenda, no. 723 (The City of Elbing to the Queen, 31 March 1583), and no. 726 (idem to idem, 31 March 1583).

With the achievement of these preliminaries, it now remained for Elizabeth to obtain a formal treaty confirming these privileges and immunities to the Eastland Company from Elbing and the Polish court. On 30 January 1580, she wrote to the Elbing council and to Stefan Batory on this subject, and she empowered the trained diplomat, Dr. John Rogers, to undertake a mission and to act on her and the Company's behalf.¹ At the same time, Elizabeth also appealed to the King of Denmark, Frederick II, and the Grand Duke of Prussia, George Frederick, for support for the merchants of the Eastland Company.² Some time was to pass, however, before final terms were reached between the company and Elbing, and before Stefan Batory gave his sanction to the pact.³

Although Stefan Batory was essentially well disposed towards the project of settling the English at Elbing, Poland experienced a number of foreign policy alterations which compelled the court to resort increasingly to the tactic of procrastination on the issue. To the demands of

¹Harleian, 4943, ff. 16 and 18 as cited in Deardorff, "English Trade in the Baltic," p. 294; Köln Inventar, no. 8081; and B.M., Sloane MSS 2442, ff. 41-43 as cited in Zins, England and the Baltic, p. 68.

²Köln Inventar, nos. 1724, 1725 as cited in Zins, England and the Baltic, p. 68.

³Excellent accounts of the ensuing negotiations, which were lengthy and greatly complicated by a number of developments affecting Stefan Batory's foreign policy considerations, are provided in Deardorff, "English Trade in the Baltic," chapter 3; Szelagowski and Gras, "The Eastland Company in Prussia," pp. 163-184; Rumsey, "England, Poland, and the Baltic," pp. 266-278; and Zins, England and the Baltic, pp. 66-77. The following paragraphs are based largely upon the above mentioned works.

Poland's Muscovy campaign was added the burden of a war with the Turks whom Batory engaged by the 1580s. This forced him to seek an improvement in Polish-Habsburg relations, which had been strained over the question of his candidacy to the Polish throne in 1576, and to make some accommodations with the Hanse (particularly with Danzig) whose financial and naval assistance he needed.¹ These considerations greatly compromised Batory's policy towards the English merchants; all the more so in view of Danzig's energetic counter-representations against the English, right from the beginning, at the Polish, Danish, Spanish, and Imperial courts, and above all throughout the League.² The Danzigers feared the threat posed by the new staple at Elbing to such a degree that they even went so far in their attempts to get the agreement between Elbing and the English merchants cancelled, that in return for Batory's support, they promised to move the whole Hanseatic League to help the Poles in their war against Muscovy.³

Fortunately for England, the disunity which had plagued the Hanse for so long made any effective concerted action by the League impossible. The Hanseatic cities distrusted the schemes of the Danzigers and at the Congress at Lübeck in 1579, and at Lüneburg in 1580, refused on both

¹Rumsey, "England, Poland, and the Baltic," p. 278.

²See Szelagowski and Gras, "The Eastland Company in Prussia," pp. 165-174; Zins, England and the Baltic, pp. 61-63, 68-69; and Rumsey, "England, Poland, and the Baltic," pp. 266-67.

³Rumsey, "England, Poland, and the Baltic," pp. 266-268.

occasions to endorse this offer. The League agreed to do little more than to exert pressure against the Merchants Adventurers at Stade, and to send an all-Hanseatic mission to the Polish court.¹ While the Danzigers had lost this opportunity, Stefan Batory, however, still had good reason to exercise caution. The Emperor Rudolf II had come out in open support of the Hanseatic League in its quarrel with the English.² At the Imperial Diet of Augsburg in October 1582, the defensive measures against England advocated by the Hanse Congress at Lübeck, two years before, were admitted and accepted. In other words, the commercial policy of the Hanse had been taken over as the foreign policy of the Empire.³ And to the clearly implied threat that any untoward action on the part of Stefan Batory might cause the Emperor, who fancied himself as the protector of Danzig and the Hanse, to enter directly into the Livonian War against Poland,⁴ was now added the strong likelihood that the Austrian Habsburgs might join their Spanish kinsmen in the formulation of an active policy against England.⁵

¹Szelagowski and Gras, "The Eastland Company in Prussia," pp. 165, 167-174, 176; Rumsey, "England, Poland, and the Baltic," pp. 267-68.

²See for example Cal. S.P.For., 1583 and Addenda, no. 622 (The Emperor Rudolf to the Queen, 28 June 1581).

³Szelagowski and Gras, "The Eastland Company in Prussia," pp. 176-177; Rumsey, "England, Poland, and the Baltic," p. 273.

⁴Rumsey, "England, Poland, and the Baltic," pp. 269-270.

⁵Ibid., p. 273.

In these circumstances the Hanse's and, in particular, Danzig's representations against the English took on a new significance not only towards the question of an English residence in Elbing, but in the larger context of the Anglo-Spanish rivalry, towards the very fundamental issue of England's security and the maintenance of her vital Baltic trading life-line. This was all the more evident in view of Philip II's determination to embark on a major Baltic diplomatic offensive, designed to deny English and Dutch merchants access to the Baltic mart, in an effort to undermine the rebellion in the Low Countries and England's support for the "rebels."¹ Ever since the failure of the Habsburg candidate archduke Ernest to gain the Polish throne in 1576, the Spaniards had resorted increasingly to the tactic of dealing directly with the major Baltic powers to persuade them to interdict this commerce. While these efforts were to be proven largely unsuccessful by events, especially in view of the fact that Denmark and Danzig stood to lose substantially from any interdiction of Baltic commerce with the Low Countries or England, the threat for contemporaries was very real nonetheless.²

Aware of the implications of these developments, England grew increasingly concerned over the security of her Baltic trade and the staple at Elbing. The attitude of

¹Rumsey, "England, Poland, and the Baltic," pp. 278-279.

²Ibid., pp. 279-283.

Poland was of critical importance.¹ Since the Eastland Company had been granted its privileges only by the city of Elbing, Elizabeth and her merchants sent numerous delegations to the court of Stefan Batory in an effort to obtain his sanction of the pact. These missions were strongly encouraged and augmented by the representations of the city of Elbing which, although a member of the Hanse, had so far managed successfully to withstand the threats from the League.² But, as N. R. Deardorff noted, "to secure the ratification of the King to this agreement was no longer the simple matter it might once have been."³ Aside from the above mentioned considerations, the issue had by this time become even more complicated as a result of the marked tendency towards reconciliation between Danzig and the King of Poland once the initial bitter feelings engendered by their clash had subsided and, in particular, when the Danzigers decided to remove the one very substantial obstacle remaining between them and the King and remitted, in the spring of 1582, half of their port dues to supplement Stefan Batory's severely overtaxed treasury. In the realization of the powerlessness of the Hanseatic League and the inability of the Emperor to prevent the English from making inroads into the Polish trade, Danzig now turned to the

¹ Szelagowski and Gras, "The Eastland Company in Prussia," p. 178.

² See for example Cal. S.P.For., 1583 and Addenda, nos. 613, 616, 617, 623, 659, 670, 674, 712, etc.

³ Deardorff, "English Trade in the Baltic," p. 304.

Polish court in desperation and used every means in her power to induce the King to withhold his consent from the proposed agreement.¹

Stefan Batory, however, was too much of a wily politique to succumb entirely to these pressures or to be unduly influenced by money.² Despite his need for the Hanse's naval and financial assistance during the Livonian Wars, and his courtship of the Habsburgs as potential allies when Polish-Turkish relations deteriorated sharply, he never did anything tangible to help either of them.³ While these considerations prevented him from pronouncing openly in favour of the 1581 and 1583 agreements between Elbing and the Eastland Company,⁴ and marked all of the ensuing energetic diplomatic activity at the Polish court with a series of delays and frustrated efforts as a result of his tactic of procrastination,⁵ he never lost sight of the benefits that would accrue to Poland from free foreign trade and a restriction of Danzig's

¹Deardorff, "English Trade in the Baltic," pp. 304-305; Szelagowski and Gras, "The Eastland Company in Prussia," pp. 176-177.

²Ibid., pp. 305-306.

³Szelagowski and Gras, "The Eastland Company in Prussia," pp. 168-184; Rumsey, "England, Poland, and the Baltic," pp. 278-283.

⁴For descriptions of these agreements, see Szelagowski and Gras, "The Eastland Company in Prussia," pp. 175-176, 179; Deardorff, "English Trade in the Baltic," pp. 302-303, 306-312; and Zins, England and the Baltic, pp. 69-73.

⁵Vide supra, p. 108, reference 2.

monopoly position.¹ In the end, even though the Polish Diet had declared its approval of the grant, Stefan Batory's overriding need to maintain good relations with the Hanse and the Habsburgs finally compelled him, on 16 March 1585, to indicate to Elizabeth and Elbing his inability to accede to their demands.² But as A. Szelagowski and N. S. B. Gras noted:

It is to be remarked that this refusal to ratify officially and before the world the agreement entered into in 1583, between Elbing and the English, meant in practice comparatively little. In theory, the Eastland Company was to be allowed to trade not only in Elbing, but also in Dantzic, Riga, or elsewhere, in the same way as formerly. In reality the Polish crown chose to be neutral. Elbing seems to have fully appreciated the situation, and on May 3, 1585, concluded a treaty embodying the agreement entered into two years previously, and postponed its confirmation by the king to a more favourable time.³

In the absence of Stefan Batory's official confirmation of the Anglo-Elbing agreement, then, the agreement concluded by the burgomaster of Elbing, on his own authority, constituted the legal basis upon which the English commercial rights and their residence in Elbing were to rest thereafter.⁴ "This agreement," as Henryk Zins noted, "... was formulated very circumspectly, with the clear intention of not

¹Zins, England and the Baltic, p. 73.

²See the accounts of this in Deardorff, "English Trade in the Baltic," pp. 313-323; Szelagowski and Gras, "The Eastland Company in Prussia," pp. 179-183; Rumsey, "England, Poland, and the Baltic," pp. 275-278; and Zins, England and the Baltic, pp. 70, 72-75.

³Szelagowski and Gras, "The Eastland Company in Prussia," p. 183. This appears to be the correct interpretation and is also supported by Deardorff, Rumsey, and Zins as noted above in reference 2.

⁴Zins, England and the Baltic, p. 73.

violating the rights of the King of Poland in any respect, and obviously in the hope that sooner or later Poland would confirm England's privileges in Elbing . . . it was rather in the nature of a provisional agreement than a final treaty."¹ And that Elbing received the tacit consent of the Crown in having so dealt with the issue, is beyond doubt.²

By having persevered, the Eastland merchants were able to turn to their advantage the changes in Polish politics and the enmity of the Elbingers for the Danzigers. With the aid of the Crown (aid which was confined to the use of prestige and influence for the Eastland Company, usually paid the actual expenses of the agents or embassies sent to negotiate on their behalf), the Eastland merchants prevailed in the tedious and expensive diplomatic process, and were able to establish themselves at Elbing in a much more favourable position than they had ever enjoyed at Danzig.³ Indeed, the outcome of all these endeavors culminating in the grant of partial freedom of trade and rights of staple guaranteed by the 1585 agreement with Elbing, which for all intents and purposes settled the whole matter, soon became evident: the formerly insignificant harbour of Elbing now experienced rapid sustained growth, the English

¹Zins, England and the Baltic, p. 73.

²Szelagowski and Gras, "The Eastland Company in Prussia," p. 183; Rumsey, "England, Poland, and the Baltic," p. 278.

³Deardorff, "English Trade in the Baltic," pp. 326-327.

trade soon reached unprecedented dimensions, and English merchants trading in Poland were to be numbered in the thousands.¹ The importance of this transformation was so manifest by the early years of the seventeenth century, that Sigismund III, not without cause, called the English company in Elbing, "the master and arbiter of the Polish (Baltic) trade."²

Viewed in the context of the long-standing Anglo-Hanseatic rivalry, it is worthwhile to recall that in 1577, with the ending of the Merchants Adventurers' period of residence in Hamburg, the Hanse had begun its final contest for its privileges in England. Elizabeth's government had refused to accede to their demands and the efforts to oust the Hanseatic merchants from certain branches of English commerce continued unabated. Whilst this scheme of defence was being carried out in England, the Eastland merchants, in the advancement of their own and their country's economic well-being, had with the establishment of their company's staple at Elbing successfully carried England's battle against the Hanseatic merchants into the Hanse's Baltic towns themselves. Although their stay at Elbing was repeatedly threatened by the inimical maneuvers of the Danzigers, as well as others, the Eastland merchants and Elizabeth's

¹Szelagowski and Gras, "The Eastland Company in Prussia," p. 184.

²Danzig Archives: Handel Convolut, 19a (15 Dec. 1604) as quoted in Szelagowski and Gras, "The Eastland Company in Prussia," p. 184.

diplomats proved equal to the occasion at each encounter.¹

In this they were, of course, greatly aided by the Elbingers who also had reason to counter the machinations against the trade; for, says William Camden, the great historian of the Elizabethan era, "Elbing . . . oweth a great part of its Beauty and Splendour, and the great Resort of People to it, to the Commerce and Trade of the English."²

As A. Szelagowski and N. S. B. Gras noted:

Dantzic entirely ceased its opposition before the close of the century, and the Eastland Company remained at Elbing. The Merchant Adventurers, bearing a more strenuous part of the general contest though not enjoying such unbroken continuity of establishment at Hamburg, did nevertheless win their point too. Elbing and Hamburg then remained the outposts and strongholds of the struggle for a footing in foreign markets. The Hanse was treading the path of rapid and final decline. And the victory of nationality in trade, in which the Eastland Company had played its part, was decisive, if not complete.³

In this manner, England's vital Baltic mercantile interests were conserved, and the supply of strategic imports needed for the defence of the realm assured.

¹Deardorff, "English Trade in the Baltic," p. 325.

²William Camden, The History of the Most Renowned and Victorious Princess Elizabeth, Late Queen of England; . . . (London: n.p., 1688; reprint ed., New York: AMS Press, 1970), p. 539.

³Szelagowski and Gras, "The Eastland Company in Prussia," p. 184.

CHAPTER V

THE ECONOMIC AND SOCIAL VALUE OF ENGLAND'S BALTIC TRADE

England's Exports to the Baltic

As was indicated previously, cloth played such an overwhelming part in England's export trade that the aggregate of all other commodities exported paled into insignificance beside it.¹ In the year 1565 cloth alone comprised seventy-eight percent of the total value of all English exports, and all types of wool, wool-fells and clothing amounted to over ninety percent.² By the 1590's, according to Lawrence Stone, the situation had changed little: "The new industries begun during the Elizabethan period did little more than reduce the need for imports and few appear to have contributed materially to swell exports;" cloth still represented well over four-fifths of English exports.³ It was not without reason that Wheeler spoke, in 1601, of cloth as the "principallest commodity of the realme"⁴ and the "Credite and Creame of the Land."⁵

¹Vide supra, pp. 17-19.

²Stone, "Elizabethan Overseas Trade," pp. 36-38.

³Ibid., p. 45.

⁴John Wheeler, A Treatise of Commerce (London: John Harison, 1601; reprint ed., New York: Columbia University Press for the Facsimile Text Society, 1931), p. 55.

⁵Ibid., p. 62.

From these general observations, it stands to reason that England's export trade to the Baltic would similarly consist predominantly of cloth--and so it did. As Henryk Zins noted: "England's trading expansion in the Baltic during the sixteenth century was only possible from the economic standpoint thanks to the extensive opportunities for selling large quantities of cloth, which found a ready market in this area."¹ These consisted primarily of broadcloths and kerseys, which tended to dominate the market, but small amounts of worsteds also appeared.² The total value of skins and hides, lead, tin, military materials, alum, coal, grindstones and millstones, groceries, salt, herring, and other goods England exported to the Baltic amounted to no more than twenty percent in the years before the foundation of the Eastland Company. Towards the end of the century, their share in exports declined considerably.³ They represented no more than a supplement to cloth exports which, according to the data compiled by N. E. Bang and K. Korst, (eds.), Tabeller over skibsfart og varetransport gennem Øresunde, 1497-1660 (Copenhagen-Leipzig, 1906-1933), accounted for 76.9% of total English exports to the Baltic in 1565, 75.2% in 1575, 91.4% in 1585, and in 1595 as much as 92.1%. Indeed, cloth exports maintained their predominance into the seventeenth century and by 1615 came to

¹Zins, England and the Baltic, p. 164.

²For a most useful discussion of England's cloth exports to the Baltic, as well as a brief summary of the main English centres producing various kinds of cloth, indicating those which were concerned primarily with supplying their products to the Baltic area, see Zins, England and the Baltic, pp. 160-192. See also Bowden's authoritative work, Wool Trade, passim.

³Zins, England and the Baltic, pp. 191-192.

represent as much as 94.4% of the total value of all English exports to the Baltic countries.¹

In contrast to the composition of England's export trade during this period, its direction, as was indicated previously, appears to have undergone a wider distribution.² According to the commercial data compiled to analyze the export destination of cloth from London in the year 1597-1598, the Merchants Adventurers, interlopers and foreign merchants, still exported as much as seventy-one percent of all cloth exports to the ancient markets of the Netherlands and Germany, but the Baltic region, through the Eastland Company which next to the Merchants Adventurers was by now far and away the most important, accounted for close to 11.5%.³ Although this data suggests that England's export trade to the Baltic was of little significance, it should be noted, however, that the figure for the Baltic region is very misleading. Because of the middleman activities of the Dutch and

¹Zins, England and the Baltic, p. 164. The author quotes extensively from this study in his chapters 7 and 8, but it is important to note his preliminary remarks concerning the reliability and validity of the available data.

²Stone, "Elizabethan Overseas Trade," p. 50.

³P.R.O. S.P.Dom., 12/268, no. 101, as cited by Zins, England and the Baltic, p. 166; Cal. S.P. Dom., 1598-1601, vol. CCLVIII, no. 101, p. 115 (Note of cloth of all sorts, transported from the port of London by English and strangers for one year, from Michealmas 1597 to Michealmas 1598, Oct. 1598); Stone, "Elizabethan Overseas Trade," pp. 38-39, 50-51. While one should not confuse London with England, Stone suggests that this data may nevertheless be trusted to give a fairly reliable picture of the export destination of English cloth because of the supremacy, indeed, virtual monopoly London had maintained over the outports, which it had already won by 1559. On that subject, see also idem, "State Control," pp. 103-120; and Willan, Studies, pp. 65-91.

the overland transport of cloth through Germany, eastern and central Europe purchased English cloth to a much greater extent.¹ To account for this trade exclusively in monetary terms, or in terms of its exchange function for the import of vital Baltic commodities, would belie its importance. The Baltic trade had a value to England which far transcended economic measurement.

It was through the Baltic ports that England's merchants gained access to the European market whenever the Netherlands or German distribution system collapsed for political reasons or otherwise; it was also the Baltic countries that absorbed both the clothwares unsalable in other areas and the marginal production of the poor clothiers of Suffolk and the North.² Since English standards of finishing and dyeing were not yet high enough to compete with the continental products, especially those of the Low Countries, the Baltic market, where the standards of finished cloth were not in general high, sopped up much of England's shoddy production.³ In this sense the Baltic market was of great importance, for it created employment for thousands of unskilled workers

¹Zins, England and the Baltic, p. 165; Rumsey, "England Poland, and the Baltic," p. 76.

²Rumsey, "England, Poland, and the Baltic," pp. 34-35, 459; Zins, England and the Baltic, pp. 162-191, *passim*.

³Zins, England and the Baltic, pp. 162-164. For an account of the detrimental effect the Crown's unwise policy on the domestic cloth industry had upon England's export trade to the Baltic market, as well as some examples of the numerous protests launched by the Eastland merchants in this regard, see Rumsey, "England, Poland, and the Baltic," pp. 77-81.

who otherwise might have been doomed to vagabondage.¹ As Thomas Rumsey noted, "for a monarchy that valued social stability and social control over economic innovation and expansion, the Baltic trade loomed large indeed."² Upon the Baltic cloth trade hinged domestic peace or social unrest--the great concern of Tudor England.

England's Imports
from the Baltic

The Baltic area's great navigable rivers, the Oder, Vistula, Niemen and Dwina, did more than just simply open up to the trader an enormous hinterland which readily absorbed English cloth; they also yielded, down the centuries, the indispensable raw materials, foodstuff and naval stores, upon which depended the economic well-being and very independence of England.³ It was Baltic grain that fed England in times of dearth, Baltic naval stores that were largely responsible for keeping English shipping afloat, and Baltic gunpowder and saltpeter that stoked English canons in time of war.⁴ To determine the exact dimensions of England's import trade from the Baltic area, however, poses certain difficulties because of serious gaps and deficiencies in English port books and

¹Rumsey, "England, Poland, and the Baltic," pp. 34-35, 459; P. Ramsay, Tudor Economic Problems, pp. 86-87.

²Rumsey, "England, Poland, and the Baltic," p. 35. See also Stone, "State Control," pp. 103-120. Stone argues quite convincingly that economic considerations meant less to the Tudors than social control.

³G. D. Ramsay, English Overseas Trade, pp. 96-97.

⁴Rumsey, "England, Poland, and the Baltic," p. 34.

other surviving sources for this period. While it was fairly easy to estimate the Baltic area's position in England's export trade, since cloth was by far the biggest item, this clearly is not the case in regard to England's imports. Moreover, any detailed quantitative analysis of the available data, despite its deficiencies, would only tend to miss the essential point and understate the intrinsic value of England's Baltic import trade. For these reasons, it is best to evaluate the Baltic imports outside of a purely economic framework and, aside from a brief indication of its dimension and value in relation to total imports, to concentrate, instead, on a general description of the nature of this trade and its importance for England.¹

As was the case with exports, Baltic imports also appear to have represented only a small part of England's total trade. According to the London Port Books for 1587-88, the Baltic area contributed only five percent.² Henryk Zins suggests, however, that in all probability only about half of England's imports from the Baltic are covered since this data does not include the north-eastern ports, nor does it take into account the inflow resulting from foreign transport, especially that of the Dutch who carried the largest share of cargo from Danzig, or take into consideration the trans-

¹This problem is discussed quite well by Henryk Zins in his preliminary remarks to his chapters 7 and 8, England and the Baltic, pp. 216-218.

²P.R.O., Eliz. 90/7/8, as cited by Zins, England and the Baltic, p. 216.

shipment of imports from the city of Amsterdam which had become a great entrepôt for Baltic commodities.¹ A more accurate estimate of the value of Baltic imports in relation to England's total import trade would, therefore, suggest a range bordering the ten percent level. This figure is also supported by the studies of A. M. Millard, and L. R. Miller.²

But as was indicated above, the value of England's import trade from the Baltic also transcends economic measurement. To evaluate this trade exclusively in monetary terms would greatly understate its importance, for as Henryk Zins noted:

The Baltic's small contribution to the value of English imports was due primarily to the cheapness of its commodities. These were mainly raw materials and semi-manufactures, which obviously could not compete in price terms with the expensive industrial products, groceries and luxury goods of western and southern Europe. The Baltic area's importance to England's imports consists not in the monetary value of the goods supplied but in their indispensability.... The Baltic market was an important source of products which were indispensable to England's development and security, products which made it possible for her to develop her fleet, and, in times of poor harvest and food shortage, to feed her people.³

Among those commodities imported from the Baltic, the most important group consisted of naval and war materials. In the aggregate, they constituted more than two-thirds of England's

¹Zins, England and the Baltic, pp. 216-217.

²A. M. Millard, "The Import Trade of London, 1600-1640" (MS. unpublished Ph.D. thesis, London School of Economics, 1963), pp. 102-103, as cited by Rumsey, "England, Poland, and the Baltic," p. 34; L. R. Miller, "New Evidence on the Shipping and Imports of London, 1601-1602," Quarterly Journal of Economics, no. 41 (1926-27), pp. 752, 755-756.

³Zins, England and the Baltic, p. 217.

total imports from this area. The remainder consisted of vital foodstuff and a number of lesser important commodities.¹

Under the heading of naval goods would fall such commodities as flax, hemp, pitch, tar, wainscot, deal-boards, clapboards, oars, cables, cable yarn, ropes, masts and canvas. These were the very things which Elizabeth's expanding navy and shipping industry needed to meet the demands of security, and to satisfy the commercial desires and ambitions of her merchants. Indeed, the Baltic area assumed increasing importance as a place where England could replenish her supply of naval goods when, in the latter years of the century, the struggle with Spain had grown so acute and so much depended upon England having an adequate navy.

Although the Tudors made considerable effort to lessen England's dependence on foreign sources for naval goods, as is evident for example in the numerous statutes and proclamations concerning the cultivation of flax and hemp, domestic shortages of these products remained chronic.² Similarly with wood

¹Zins, England and the Baltic, p. 218. There are several extant lists of Baltic commodities imported during the Elizabethan period and, on all of them, naval and war materials constitute the largest group. See for example Wheeler, A Treatise of Commerce, p. 23, whose list of wares imported from the Easterlings takes conspicuous note of ship stores--flax, hemp, pitch, tar, wainscot, deal-boards, oars, cables, yarn, ropes and masts for ships, etc..

²Vide supra, pp. 38-39. See also Statutes of the Realm, vol III, 24 Hen. VIII., c. 4; 28 Hen. VIII., c. 9; 31 Hen. VIII., c. 7; 33 Hen. VIII., c. 17; 37 Hen. VIII., c. 23, etc.; Cal. S. P. Dom., 1547-80, vol. CVII, no. 74, p. 519; and Tawney and Power, Tudor Economic Documents, vol. 2, pp. 267-269.

products. The earliest and most important relief to England's timber shortage came from the forests of the Baltic region and Norway.¹ While the government recognized the national importance of naval timber,² the official treatment of England's forests, however, seem to have recorded "more sins of omission and commission than instances of constructive policy."³ As a result, the lands of northern, central and eastern Europe retained their monopoly position in the supply of vital ships timber until such time as England developed an auxiliary supply from America.⁴

War goods originating from the Baltic consisted largely of such commodities as gunpowder, saltpetre, sulphur, match, steel, copper, iron and halberds, among others. Again, the value of these products are self-evident. Without the important naval and war goods the effectiveness of Elizabeth's military forces would have been greatly reduced and England's foreign policy considerably circumscribed.

England was also dependent on the Baltic for the import of grain to supplement domestic supplies. Approximately

¹R. G. Albion, Forests and Sea Power: the Timber Problem of the Royal Navy, 1652-1862 (Cambridge, Mass.: Harvard College, 1926; reprint ed., Hamden, Conn.: Archon Books, 1965), p. 139. Albion's study on the importance of forests to sea-power is very illuminating and stresses the vital importance of the Baltic. See also Rumsey, "England, Poland, and the Baltic," pp. 50-56.

²Vide supra, pp. 38-39. See also Statutes of the Realm, vol. IV, pt. I, 13 Eliz., c. 25; Ibid., vol. IV, pt. II, 43 Eliz., c. 7; and Cal. S. P. Dom., 1547-80, vol. CXXXVI, nos. 33, 45, 65, 77, 79; ibid., vol. CXXXVII, nos. 9, 10, 11, 12, 72, 73, etc..

³Albion, Forests and Sea Power, p. 121.

⁴Ibid., p. 153.

twenty-five percent of the grain harvests during this period were in some way deficient.¹ It wasn't only deficient grain harvests, however, that threatened famine and dearth; Elizabeth granted licenses to her court favourites to sell grain, and domestic supplies were continually drawn away to provision her armies and navies. Without the Baltic grain supplement would come starvation--especially in the urban centers--and with starvation would come riot.²

While the major cities of England most consistently brought in shipments of Baltic grain, the crown also resorted occasionally to this source for special military needs. In 1573 the Commissioners for the Restraint of Grain and Victuals in Somerset were ordered by the Privy Council to provide 250 quarters of Baltic grain for the navy.³ In 1577 and again in 1596-97 and 1600, the Lord Deputy in Ireland contracted to import Baltic grain for his garrison.⁴ In 1587 Calais was

¹W. G. Hoskins, "Harvest Fluctuations in England 1480-1619," Agricultural History Review, vol. 12 (1964), pp. 28-46, as cited by Rumsey, "England, Poland, and the Baltic," pp. 35-36.

²Rumsey, "England, Poland, and the Baltic," pp. 36-40. See also Brian Pearce, "Elizabethan Food Policy and the Armed Forces," Economic History Review, vol. 12, (1942), pp. 39-46.

³A.P.C., vol. VIII, 1571-75, p. 174.

⁴Cal. S. P. Ireland, 1574-85, vol. LVII, no. 9 (Lord Deputy to Burghley, 31 Jan. 1577); ibid., 1596-97, vol. CXCI, no. 20 (Sir Henry Wallop to Burghley, 13 July, 1596); ibid., vol. CXCVI, no. 37 (Considerations of the causes of Ireland..., Dec. 1596); ibid., vol. CC, no. 26 (The Lord Chancellor Loftus and others of the Council to the Privy Council, 16 July, 1597); ibid., 1600, vol. CCVII, pt. 5, no. 13 (Gerald Young, Mayor of Dublin, to Sir Robert Cecil, 10 Sept. 1600).

similarly provided.¹ Indeed, when domestic grain shortages (which usually took on a regional rather than national character) became acute, trading companies' monopolies were sometimes relaxed to permit non-members to import Baltic grain. In 1586 and 1587 the Eastland Company temporarily granted this concession to Bristol merchants so as to help relieve the grain scarcity of that time.²

Commercial and Political
Difficulties of the
Baltic Trade

As indispensable as all of these products may have been to England, the Baltic trade was by no means an easy one. Aside from the purely physical dangers encountered on the long and arduous voyage through pirate infested waters, English traders were also confronted with a number of problems of an economic and political nature.³ The Baltic area was a place of great instability, "governed by political whim and by seasonal rythm:"⁴ price and commodity availability fluctuated

¹A.P.C., vol. XV, 1587-88, p. 195. See also Cal. S. P. Dom., 1591-94, vol. CCXL, no. 46 (Statement by Sir Thos. Sherley..., 21 Oct. 1591).

²Cal. S. P. Dom., 1581-90, vol. CXC, no. 60 (The Council to the Company of Eastland Merchants, June, 1586) "To grant permission to certain merchants of Bristol to trade into the East parts with two or three ships, and to return with grain only".

³For an account of some of the perils encountered on this voyage, see Cal. S. P. For., 1581-82, no. 704 (Thomas North, mariner, to Walsingham, 24 Apr. 1582).

⁴Rumsey, "England, Poland, and the Baltic," p. 108. The following paragraphs are largely based on Rumsey's illuminating account of the problems and difficulties of the Baltic trade, chapter 3, passim.

as much with natural variables as they did in response to commercial competition and the demands of war.

The English merchants were particularly hard pressed at times in view of the virtual trading monopoly maintained by the Dutch and the Danzigers. Danzig's money and geographic position, in combination with Dutch shipping and commercial experience, had long perfected a system of advance contract in the Baltic region whereby Prussian and Polish nobles and producers were advanced cash and cloth on the condition that these advances would be met later by payments in grain, timber, and naval stores.¹ This system had committed the Baltic suppliers so completely to the Dutch and Danzigers that other traders found themselves virtually unable to circumvent this monopoly position. Indeed, this monopoly retained its effectiveness because, as events were to show, neither the Muscovy trade nor the English staple at Elbing, in the long run, ever posed a serious threat to Danzig's position as the trading center of the Baltic; in fact, many English ships--ostensibly bound for Elbing--went to Danzig even though this was forbidden to the merchants.²

¹Rumsey, "England, Poland, and the Baltic," p. 129. For an account of how this monopoly position was established, and how it operated, see the report of Maximillian Transsilvan to the Regent of the Low Countries, 1534, printed in Dollinger, The German Hansa, p. 430.

²P.R.O. S.P. Dom., 12/146, no. 51, as cited by Zins, England and the Baltic, p. 126. See also *ibid.*, pp. 125-128; Rumsey, "England, Poland, and the Baltic," pp. 129-130; A.P.C., vol. XII, 1580-81, p. 207; *ibid.*, vol. XXII, 1591-92, pp. 132-133; and T. S. Willan's discussion of the subject of interlopers, in Studies, pp. 34-64.

Elizabeth's Eastland merchants were also considerably hindered by the fact that their trade had to be conducted largely on the primitive barter system of exchanging exports for imports, whereas the Dutch, for example, operated with currency and therefore had a much greater degree of independence and flexibility.¹ England's poor relations with Spain, the principal source of Europe's gold and silver supplies, placed a premium on specie and in consequence the Eastland merchants were limited, by the charter of 1579, to export only ten pounds sterling per annum to the Baltic countries.² Trade imbalances, therefore, could not be rectified by a transfer of bullion; and since bills of exchange were generally suspect in the Baltic countries at that time,³ neither could these imbalances be adjusted by this common form of mercantile credit. Moreover, because the merchants usually purchased cloth in England on consignment, the limited amount of time they had to barter the goods and repay what they owed on the cloth in England severely circumscribed their bargaining position in the Baltic.⁴ And this position was already greatly compromised by the fact that the Baltic market was subject to severe price fluctuations (which often forced the merchants to accept unfavourable terms),⁵ and, more important,

¹Zins, England and the Baltic, p. 291.

²"Charter of Eastland Merchants," as printed in Sellers, Acts and Ordinances, pp. 150-151. See also Zins, England and the Baltic, chapter 9, *passim*.

³Rumsey, "England, Poland, and the Baltic," pp. 143-144.

⁴*Ibid.*, pp. 144-145.

⁵*Ibid.*, pp. 140-146.

by virtue of the fact that England's balance of trade with the Baltic countries depended overwhelmingly on only one product--cloth.¹

In view of these economic constraints, it becomes readily understandable why it was not always easy for the Eastland merchants to dispose of an entire shipment of cloth in the Baltic market, despite its great absorptive powers. Indeed, the market was all the more unreliable, in view of the fact that the Baltic was an area wherein warfare was endemic, and Denmark, with its stranglehold on commerce through the Sound, was not the only Baltic power that employed the policy of interdicting commerce to underline grievances of one sort or another. The combined effect of all these factors, then, weighed heavily against England's vital commercial intercourse with the Baltic. As Thomas Rumsey summarized:

...the Baltic was both the granary and arsenal of Europe, where competition for available supplies was intense, even in peacetime. When war broke out, both the competition and the dangers increased, because the warring powers acted to insure their own supplies of munitions and naval stores, and to prevent their enemies from obtaining similar goods. An upsurge in demand was thus followed by an increase in difficulty. When we add normal trading problems to the unique strategic, geographical, political, and climatic conditions in the Baltic, these problems redoubled in intensity.²

¹Zins, England and the Baltic, p. 291; Rumsey, "England, Poland, and the Baltic," pp. 142-143. For an interesting account of the general subject of trade balances, see Charles H. Wilson, "Treasure and Trade Balance," Economic History Review, ser. 2, vol. 2 (1949), pp. 152-168, especially p. 158.

²Rumsey, "England, Poland, and the Baltic," p. 109.

While these factors largely determined the parameters to England's commercial relations with the Baltic countries, it is equally important to give due weight to the political implications of the Eastland connection. Obviously, new demands had been imposed on Anglo-Polish foreign policy considerations, but England's relations with other Baltic powers had also been revolutionized. Now that England was established in the Baltic with a residence at Elbing, England could no longer avoid becoming entangled in Baltic politics. Her visible presence made England susceptible to the machinations of other powers who either wanted to court her friendship, or exert pressure upon her whenever English interests contravened theirs. Since the Baltic was an area wherein wars were endemic, England's activities as well as her commitments had to be very carefully considered.¹

These considerations, however, could not be limited to the exigencies of the Baltic region alone. Elizabeth's Spanish policy had created a situation where neither England's trade nor diplomacy in the Baltic could be treated in isolation. As Thomas Rumsey noted:

What harmed English relations with the Baltic was precisely what harmed them--commercially and diplomatically--everywhere else: Elizabeth's perennial war with the Hapsburgs. The very fact that England was at war increased her dependence on the strategic materials flowing from the Baltic and caused the Hapsburgs to make efforts to cut the English supply lines from Poland. To hamper the Hapsburgs, Elizabeth in turn licensed privateers who were largely concerned with preventing Baltic munitions and provisions from reaching

¹ Rumsey, "England, Poland, and the Baltic," p. 203.

Spain. This privateering created bad feelings without accomplishing its purpose, for it was England's erstwhile allies, the Hollanders, who supplied Spain with many of the required Baltic commodities. In the long run all Elizabeth's privateers accomplished were strained relations with Denmark and Poland, the very two powers whose cooperation the English had to have to keep their Baltic lifelines open.¹

But the Anglo-Spanish conflict, and Elizabeth's use of privateers, had a much more far-reaching consequence than merely straining England's relations with the Dutch and the Hanse, as well as with Poland, Denmark and Sweden. By 1586, the reprisals of the Spaniards, who were hindering English trade whenever and however possible, had begun to induce a commercial depression in England which was already greatly aggravated by the dislocation of trade with England's main European markets.² As K. R. Andrews noted:

The loss of the Iberian trade was a heavy blow to the whole country, but particularly to those outports that depended largely upon Spanish markets--Bristol and Chester, for example.... Moreover England's trade to Spain and Portugal had been closely connected with her northerly trades, and the loss of the one created difficulties for the other.³

Indeed, because of the Spanish war, England's merchants were not able to participate in the Spanish-Baltic trading connection which the high degree of cross-membership between the various trading companies had promised.⁴ Moreover, Elizabeth's

¹Rumsey, "England, Poland, and the Baltic," p. 303. See also *ibid.*, pp. 291-300, *passim*; and Andrews, Elizabethan Privateering, pp. 6-10, 227-228.

²Scott, Joint-Stock Companies, p. 88.

³Andrews, Elizabethan Privateering, p. 227.

⁴Theodore K. Rabb, Enterprise and Empire: Merchant and Gentry Investment in the Expansion of England, 1575-1630

resort to privateers, whose reckless behavior was "a continual source of embarrassment to legitimate traders," not only threatened the goodwill of foreign governments upon which England's merchants relied,¹ but also antagonized all the powers benefitting from the southward Baltic trade to such a degree that England's merchants soon found themselves increasingly isolated in the Baltic as well as elsewhere.²

In these circumstances, one can recognize a lot of truth in the letter of a Spanish agent in London, reporting on the condition of English trade and shipping in 1586:

They are much troubled with this war they have entered into against Spain, as the whole country is without trade and knows not how to recover it; the shipping and commerce here having mainly depended upon the communication with Spain and Portugal. They feel the deprivation all the more now, with the loss of the cloth trade with Germany, which they formerly carried on through Holland and up the Rhine, but have now been deprived of by the capture of Nutz on that river. If Berck be taken also, which please God it will be, now that the neighbouring places have fallen, they will not be able to send any cloths at all, and this is causing much dissatisfaction all over the country. The rest of their trade with the other German ports and Muscovy is a mere trifle; as all, they brought from those places, was sent by them to Spain, and, their Spanish trade being now gone, the other is of no use to them, as they do not know what to do with the merchandise they bring hither. All that is left to them is the Levant trade, which is with Turkey and Italy, and that with Barbary. If these two are taken from them, which can easily be done, they will

(Cambridge, Mass.: Harvard University Press, 1967), p. 108. Rabb's study indicates that ninety-six, or 48.7%, of the Eastland Company members had memberships in other companies--to an average of 3.2 company memberships each.

¹Andrews, Elizabethan Privateering, pp. 227-228.

²Rumsey, "England, Poland, and the Baltic," p. 461.

be driven into a corner, without any commerce or navigation at all.¹

While William R. Scott has rightly indicated that "information from such a source may well be suspected of some exaggeration,"² it should be noted that Burghley had himself described the situation in somewhat similar terms. "This great matter of the lack of vent," he wrote, "not only of clothes, which presently is the greatest, but of all other commodities which are restrained from Spain, Portugal, Barbary, France, Flanders, Hamburgh and the States, cannot but in process of time work a great change and dangerous issue to the people of the Realm, who, heretofore, in time of outward peace, lived thereby, and without it must either perish for want or fall into violence to feed and fill their lewd appetites with open spoil of others."³

The Eastland Company did, however, have a beneficial impact on England's domestic economy which went beyond the primary need of national defence. Among other things, the Eastlanders had helped rescue trade from the hands of foreigners; they were a "nursery of seamen," for they prevented foreign and promoted English navigation; through the import of Baltic grain they helped supplement domestic supplies and lessened

¹"Translation of a letter from a Spanish agent in England on English Trade and Shipping, 10 Nov. 1586," as printed in Tawney and Power, Tudor Economic Documents, vol. 2, pp. 75-77.

²Scott, Joint-Stock Companies, p. 88.

³Burghley to Hatton, printed in Sir Harris Nicholas', Memoirs of the Life and Times of Sir Christopher Hatton (1847), as quoted by Scott, Joint-Stock Companies, p. 88. See also Stone, "State Control," p. 116.

the sharp fluctuations in grain prices; by exporting primarily manufactured goods and importing raw materials, they increased the demand for English labour;¹ and, perhaps the most important point, by having organized themselves into a regulated trading company the Eastland merchants were able to concert their actions and policies and effectively counter the strong opposition of the Hanseatic League in England's quest for unimpeded access to the vital Baltic market. But in the final analysis, the chartering of the Eastland Company did not seem to have increased significantly the total value of England's Baltic trade, nor did it have much of an effect in helping to stem the wave of depression engulfing some of the centers of English trade and industry.² As was indicated previously, this was--paradoxically--largely the result of Elizabeth's Spanish policy. And recognizing the plight of many of the decaying maritime towns intimately connected with the Eastland trade, towns such as Newcastle, Hull, Boston, and Lynn, Lord Burghley, shortly before his death, urged Elizabeth to conclude peace with Spain so as to achieve their relief.³

¹Sellers, Acts and Ordinances, pp. lv-lviii.

²*Ibid.*, p. xvii.

³Cal. S.P.Dom., 1598-1601, vol. CCXVI, no. 3
(Reflections by Lord Burghley upon concluding Peace with the King of Spain, 2 Jan., 1598), pp. 1-2.

CHAPTER VI

CONCLUSION

As we have noted, the relentless pressure of war and continual threat of invasion had compelled the government of Elizabethan England to extend its control over much of the national economy in an effort to achieve a higher degree of self-sufficiency and military preparedness. The development of industry, other than those directly concerned with the re-armament program, had received much of its impetus from the desire to dispense with imports as well as to expand the range of valuable commodities to export to foreign markets so as to swell the customs revenue in order to build up a war-chest. These general considerations, then, had largely determined the nature of Elizabethan England's commercial and economic development.

We have also noted how the overwhelming importance of cloth in England's export trade had made the health of her economy dangerously dependent on the state of the foreign market; all the more so since that market had concentrated itself on Antwerp. And since it was also from this great international mart that England acquired the bulk of its strategic imports (largely through the middleman activities of the Dutch and the Hansards) we can readily understand Cecil's "great concern" over England's too exclusive reliance on that single mart. Indeed,

in the face of the rapidly deteriorating Anglo-Spanish relations, with the depredation of the Netherlands and the disruptions and final closure of Antwerp to the English merchants, it became imperative for England to seek alternate "vents" for its cloth and to acquire directly at source those vital strategic imports without which she would neither have the ability to strengthen nor defend the realm.

But the ensuing search for alternate arrangements sharply aggravated the long-standing Anglo-Hanseatic rivalry. The major geographic area of England's search for new "vents" naturally focused in the area of greatest English cloth demand; that area of northern, central, and eastern Europe, largely considered by the Hanse as its own private preserve. The Hanse was the dominant trading power there, and it had long and jealously guarded its supremacy in that area. If England intended to achieve a more independent position in her foreign trading relations, she would have to break the German Hanse's monopoly--and this could only be achieved against a background of intense rivalry, for the policy of self-sufficiency intended to eliminate the privileged middleman role of the Hanseatic merchants in England's economy.

England's early successes by energetically challenging the League's control of the export of English cloth to northwestern Germany was a portent of things to come, and Elizabeth's merchants soon pursued the prospect of achieving a broader breach in the Hanse's commercial hegemony of the Baltic with renewed vigour. The Baltic not only promised access to a market which readily absorbed English cloth, but also represented an indispensable source of rich supplies of raw materials and semi-manufactured

goods essential for shipbuilding, as well as foodstuffs. For an island people with depleted forests, little outside the absolute necessities of life could be of greater importance than naval stores. And in the face of the continuously threatening Anglo-Spanish conflict, it became absolutely imperative that England breach the monopoly stranglehold of the Hanseatic League in the Baltic, and secure direct commercial relations with this vitally important market. ~

But even though the once so powerful medieval Hanseatic League was going through the unmistakable process of internal decay and disolution, the success of English mercantile ventures in the Baltic were by no means assured. Moreover, the Baltic was a highly unstable area in which warfare was endemic. Elizabeth's foreign policy aspirations as well as the activities of her merchants, who had been trading independently in the Baltic up until this time, demanded the utmost circumspection.

Under these circumstances, it had become necessary and desirable for Elizabeth's Eastland merchants to organize themselves into a commercial company and carry on a regulated trade in the Baltic. By organizing themselves, the Eastland merchants would be in a much better position to concert their efforts and undertake more resolute actions against the inimical maneuvers of the Hanse--particularly the Danzigers--, help the Crown diffuse international complications arising from Elizabeth's war policy of using privateers, and, most importantly, take advantage of the growing hegemony of Poland in the Baltic as well as the enmity of the Elbingers for the Danzigers by undertaking formal negotiations with the city council of Elbing and the Polish Court for

the establishment of a permanent staple at Elbing.

In this, then, lies the importance of the founding of the Eastland Company. By persevering, the Eastland merchants were able to exploit the changes in Polish politics and the animosity of the Elbingers for Danzig. With the aid of the Crown, the Eastland merchants prevailed in the tedious and expensive diplomatic process, and were able to establish themselves at Elbing in a much more favourable position than they had ever enjoyed at Danzig. English trade soon reached unprecedented dimensions, and English merchants trading in Poland were to be numbered in the thousands.

The Eastland merchants, in the advancement of their own and their country's economic well-being, had with the establishment of their company's staple in Elbing successfully carried England's battle against the Hanseatic merchants into the Hanse's Baltic towns themselves. Although their stay in Elbing was repeatedly threatened by the inimical maneuvers of the Danzigers, as well as others, the Eastland merchants and Elizabeth's diplomats proved equal to the occasion at each encounter. In this manner, England's vital Baltic commercial interests were preserved and, in the larger context of the escalating Anglo-Spanish rivalry, the supply of strategic imports needed for the defence of the realm was assured.

APPENDIX

THE EASTLAND COMPANY CHARTER

The purpose of the fellowship, as stated in the preamble of the 1579 charter, was the better regulation of the Eastland trade. The new company was

...for the honor and service of us and our lande inventynge (venting?) our comodityes to the pffytte (profit?) of us and our lande and cuntrye and sving (serving?) our lande and cuntrye With the moste necessarye comodityes of the said landes Nacyons cuntryes Cittyes and Townes Which thorough many unskylfull and disordered persons is sore altered to the greate hinderance of us and our lande and cuntrye.¹

By this charter, the merchants were to be drawn into

...one fellowship and comynaltye and to be one bodye incorporate and pollytyque in dede and in name as well for your better governemente Releiff and succours in those partes and redressinge of suche wronges and injuries as heretofore hathe bene and hereafter myghte be layde unto and upon yowe by dyvers and sundrye unlawfull and unreasonable taxes exacyons and impositions and other newe customes in those partes contrarye to the entercourse betwene us and our noble Progenitors and the princes States and comonaltye and their Progenitors Auncestors and Predecessours of the said Easte Cuntryes.²

It is clear from the above that Elizabeth's charter had recognized the paramount importance of provisions for the better government of the English traders in the Eastland. In order to ensure a better organization of trade, and greater

¹"Charter of Eastland Merchants," as printed in Sellers, Acts and Ordinances, p. 143.

²Ibid., pp. 142-143.

economic benefits for England and her merchants, the charter aimed to strengthen the hand of the trader; to help, as Maud Sellers noted, "the expert and exercysed merchants in their lawful and honest trade," and to restrain those, who by their ignorance and inefficiency, were bringing English traders into disrepute and even causing international friction by their disregard of the laws and customs of the East parts"¹ (the reference being, of course, to the so-called interlopers for the government had long recognized the argument against unregulated trade).² The charter further stressed the fact that, by way of incorporation, the merchants would have the weight of an organization behind them and would, therefore, be better able to retaliate if unreasonable conditions were imposed or to respond if friendly advances were made by the "princes States and comonaltye of the said Easte Countryes."³ Recognition of the interdependence between growing trade and the welfare of the whole nation was also emphasized, and the preamble to the charter ends with an expression of goodwill to the merchants, and hopes that the Company "may from henceforth profytte and increase as prosperouslye and as muche for their comodityes and profytte as any marchaunte of this lande have afore this tyme encreased and profytted."⁴

¹Sellers, Acts and Ordinances, pp. xi-xii.

²Vide supra, pp. 41-44; see also Wheeler, A Treatise of Commerce, pp. 44-58; and Hinton, Eastland Trade, p. 58.

³"Charter of Eastland Merchants," as printed in Sellers, Acts and Ordinances, p. 143.

⁴Ibid.

Since the Merchants Adventurers also traded in the Baltic area, the geographic limits of the Eastland Company's sphere of activity had to be strictly defined and its frontier with the Merchants Adventurers precisely demarcated. According to the charter, the Company's domain was the Eastland, the lands lying beyond the Sound: the "Realmes Kyngdomes Domynyons Dukedomes Countrys Gittyes and Townes of Norway Swethan Polland and Terrytories of the same Kingdomes of Pole Norway and Swethen lettow leefland and Prussen With the Terrytories of the same and also Pomerland from the River of Odera Eastward."¹ The Baltic ports reserved exclusively to the Company were "Rye Revell Kynningburgh Elbynge Brounsburgh Dantzick Copenhagen and Elsenor,"² as well as such Baltic islands as "Finland Golland Ewland and Burntholme."³ Narva and its territories were excluded since this was reserved to the Muscovy Company.⁴ The charter also specified that Denmark (with the exception of Copenhagen and Elsinore), along with "Mackelburgh Jutland Selesia Moravia Lubeck Wysmore Rostock Statine Stralsound and the whole Ryver Odera," were open on equal terms to both the Merchants Adventurers and the Eastland Company.⁵ However, members of the Eastland Company

¹"Charter of Eastland Merchants," as printed in Sellers, Acts and Ordinances, p. 144.

²Ibid.

³Ibid.

⁴On this subject, see Willan, The Russia Company.

⁵"Charter of Eastland Merchants," as printed in Sellers, Acts and Ordinances, pp. 149-150.

were prohibited from trading in the exclusive Merchants Adventurers' preserve of "the Dukedome of Holston the towne of Hamburghe or the Ryver of Elve," but the Company was granted the right of free transit through this area and exempted from any form of payment to the Merchants Adventurers.¹

On the question of membership, the charter laid down precisely the matter of recruiting members into the Company and what conditions the candidates had to observe in order to be accepted. Only Englishmen who were "mere marchaunts and noe reteylours or handye crafts men" (also their children and apprentices) could be members, and they must have had at least eleven years experience of lawful trade in the Baltic area.² This was the prime condition of membership, but in later sections of the charter the basis of admission was considerably widened: the eleven years requirement was modified so as to include those merchants "inhabytynge in the townes of Bristowe Excester Barnstable Lyme Dertmouth Plymmouth Bridgewater Seaton and Tottnes," which had not in fact carried on any considerable trade with the Baltic countries;³ and, while merchants free of any other Company trading beyond the sea were initially ineligible for membership,⁴ they could now be admitted and received on condition that the candidate relinquish his freedom in the rival Company, or pay a fine

¹"Charter of Eastland Merchants," as printed in Sellers, Acts and Ordinances, pp. 149-150.

²Ibid., pp. 143-144.

³Ibid., p. 147.

⁴Ibid., p. 146.

equal to the fee for admission by redemption levied by the Fellowship and Company to which he belonged, or he may be enrolled without fee on reciprocal terms, that is, if he gain the free admission of an Eastland merchant to his own Society.¹

Other than the above exceptions, acceptance into the Eastland Company involved the payment of an entrance fee of six pounds thirteen shillings and four pence in the case of the south-western merchants who had been engaged in the Baltic trade from 1568 onwards, and a fee of twenty pounds if this condition could not be met. Merchants Adventurers and merchants trading to Spain and Portugal, who had traded in the Eastland during the previous ten years, were to be accepted on payment of a ten pound fee, and if they had never traded in the Eastland the fee was set at forty marks.²

The organization of the Company was to be headed by a Governor, his deputy and a court of twenty-four assistants. The Governor was to reside in London (unlike the Merchants Adventurers whose Governor resided on the continent), and courts could be set up within the realm as well as at convenient places in the "Easte partes" "as often and when it shall seme expediente to the said Governour or his Deputye or Deputyes."³ The Company had jurisdiction abroad not only over

¹"Charter of Eastland Merchants," as printed in Sellers, Acts and Ordinances, pp. 147-148.

²Ibid.

³Ibid., pp. 144-145.

its own members but over all English traders frequenting the "Easte partes."¹ This included the "full and whole power and auctoritie to ympose and taxe all reasonable imposycions and somes of money Whatsoevere aswell upon the parsons tradinge into the said Countreyes of Eastelande as also upon the marchaundyze to be transported and carryed...or to be broughte by any our subjecte from thence...as...shall seme necessarye and convenyente for the supportacyon mayntenaunce and good government of the said fellowshipp;"² and also the right to "make ordeyne and stablishe suche good statutes lawes constitucyons and ordinaunces for the good government and rule of the said fellowshipp as they shall thinke mete and convenyente So as the said lawes ordynances and constytucyons be not repugnante or derogatorie to the lawes and statutes of this Realme of Englande or contrarye to any treatye league or covennantes betwene us our heires and successours and eny other Prynce or Potentate made or to be made."³

As an aside, Henryk Zins provides a most illuminating account of how the Eastland Company's rules and regulations were applied to some of the more technical aspects of the Baltic trade, in particular, as regards ensuring that merchants and shipmasters observe the required contributions to the Company, to the customs authorities in the Sound, and at Elbing.

¹"Charter of Eastland Merchants," as printed in Sellers, Acts and Ordinances, pp. 145-146.

²Ibid., p. 146.

³Ibid., p. 145.

To reduce the possibility of shipmasters indulging in trickery and to avoid any disputes with Denmark over the Sound customs control which might arise in consequence, Elizabeth's 1579 charter reserved to the Company the right to demand that shipmasters sailing to the Baltic should deposit a surety as a guarantee that they would observe all the Company's regulations and pay the customs dues demanded. Before setting out for the Baltic, the master of a ship chartered by Company members went to the Company treasurer, who gave a receipt for the sum of 50 pounds sterling against the payment of custom dues in the Sound, in Poland and under the Duke of Prussia. He also bound himself not to take on board goods belonging to merchants who were not members of the Company, and to carry the cargo entrusted to him directly to Elbing, not to any other Baltic port. Then, after making a declaration to the Company treasurer or other representative that before sailing he would report the exact value of the goods taken on board, the master was given a certificate entitling merchants who were members of the Company to load his ship. With these activities were associated appropriate accounts and receipts, one, for instance, containing an exact list of the goods the master was taking to the Baltic. After being certified by the English customs and sealed, this document was to be presented to the Sound customs and to the governor of the English entrepôt in Elbing, who had the right and duty to check on the cargo brought and to extract the appropriate payments from shipmasters and merchants.¹

Other more common provisions and privileges were stipulated in the charter, but of special interest is the treatment of the subject of exports and the use of specie. As was mentioned previously:

Marchauntes of Eastland...nor their successours shall not at any tyme hereafter trade or occupye oute of this Realme of Englande into any the Kyngdomes domynyons Provinces Cittyes and townes mencyoned and expressed in this psente charter any clothes other then colloured clothes and those accordinge to the lawes of this Realme redye dressed savinge that it shall and may be lawfull for the said Marchauntes of Eastlande and their successours to trade or occupye yerely by their

¹Zins, England and the Baltic, p. 311, as based upon the information in Sellers, Acts and Ordinances, pp. 55 ff.

whole company two hundred white clothes dressed...
and not above,¹

Even though the Eastland trade was principally in cloth, it is clear from the above that the merchants did not have a free hand in this. The merchants also encountered restrictions to prevent the expatriation of specie to the Baltic countries. According to the charter, they could take with them no more than "the some of tenne poundes of curraunt money of Englands Without any forfeiture or penaltie."² Again, the reasons for this have been dealt with previously above.³

¹"Charter of Eastland Merchants," as printed in Sellers, Acts and Ordinances, pp. 149-150.

²*Ibid.*, pp. 150-151.

³*Vide supra*, p. 126.

ABBREVIATIONS

A. P. C.	Acts of the Privy Council
B. M.	British Museum
Cal. S. P. Dom.	Calendar of State Papers, Domestic
Cal. S. P. For.	Calendar of State Papers, Foreign
Cal. S. P. Ireland	Calendar of State Papers, Ireland
Harleian	British Museum, Harleian manuscripts
Lansdowne	British Museum, Lansdowne manuscripts
L. P. Henry VIII	Letters and Papers, Foreign and Domestic, of Henry VIII
P. R. O.	Public Records Office
S. P. Dom.	Public Records Office, State Papers, Domestic
S. P. Poland	Public Records Office, State Papers, Poland
Sloane	British Museum, Sloane manuscripts

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