

**Brokers of Conflict:
On Subsidies, East Indian Trade, and the Electorate of Hanover
in the Diplomatic Revolution of 1756**



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Max Watson
Undergraduate Senior Thesis
Department of History
Columbia University
28 March 2021

Seminar Advisor: Professor Pablo Piccato
Second Reader: Professor Christopher Brown

¹ Coat of Arms of the Austrian Ostend Company.

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Acknowledgements

As the culmination of my Columbia experience, this thesis is my opportunity to reflect on the extraordinary people on whose shoulders I stand with gratitude. Writing this thesis after having spent the last year and a half in varying degrees of isolation due to the worst pandemic in a century, I am grateful without measure to those upon whom I have relied for guidance, support and community. Despite the unmooring, unsettling, and tragic experience of the last year, I would like to thank those people who have kept me tethered throughout my years at Columbia.

This thesis, beyond being a work of historical research and a foray into a subject I adore, is a love letter to Columbia, to the extraordinary talent of the History Department, and to all the people – peers and professors alike – who have loved me in return and who have helped me to hone my passions, develop my skills, and grow as an individual, gentleman, and scholar.

To Professor Piccato, thank you for your guidance and insights which reached across the ether, and for your profound kindness to all of us in your seminar. I look forward to actually meeting you in person when this pandemic has ended and to expressing my gratitude beyond the boundaries of a zoom square or an acknowledgments page.

To Professor Brown, without whom none of this would have been possible in any form, thank you for lighting a fire in my gut. It was in your seminar on the Seven Years' War that I first discovered my passion for examining the nexus between the political and the financial, and I know that without your passion, enthusiasm, and scholarship this endeavor would have never left the confines of my mind for that of the page.

To Professors Connelly and Pedersen, you have been there for me more times than I can count, and you've helped steer me through the most tumultuous year of my life with boundless attention, patience and grace. I can't begin to thank you enough for your confidence in my potential and for your guidance as I chart a course through unknown waters. It is comforting to know that I have both of your winds at my sails.

To my parents. The Hatti is in the Bullah, and is having the time of its life. I love you.

To my friends who have laughed, cried, and created with me every step of the way: to everyone on Wally 4, and in HP and beyond, who have been there for me through thick and thin – thank you. I'll never truly have the words to express how much your friendship and companionship have meant to me, and how important your presence in my life has been.

To all of you, I hope that this is a start.

Introduction

The political landscape of Europe during the 18th Century was dominated by the Stately Quadrille of alliances between Britain, France, Austria, and Russia. Named after a popular dance noteworthy for its continual switching of partners, the Quadrille alliances between the European Great Powers were predominantly matters of convenience and momentary interest. Even Britain and France, the most famous and long-lasting of European rivalries during this period, allied briefly during the early 18th Century in an attempt to check Spanish and Russian power, demonstrating the transactional, ephemeral, nature of the Quadrille. For over a century, the four powers danced and made treaties around each other, wheeling and dealing as they attempted to maintain the balance of power in Europe. For twenty-five years between 1731 and 1756, however, the Anglo-Austrian alliance remained a relatively solid fixture of the Quadrille – that is, until the Diplomatic Revolution of 1756.

The Diplomatic Revolution paved the way for British dominance of the Americas and the rise of Prussia – and therefore Germany – on the European stage. The Revolution itself was a rapid political shift along two primary axes: a British-aligned bloc and a French-aligned bloc. The Anglo-centric axis before 1756 consisted of Britain, the Netherlands, and Austria – alongside other minor powers – bound together in an attempt to maintain a counterweight to the indomitable French war machine that threatened each nation's interests across Europe. The other axis was composed of, primarily, France and Prussia, who allied so as to counter their main rivals in Britain and Austria, respectively. Russia was a relative wildcard with regards to the Quadrille during the mid-1700s, shifting back and forth between the two blocs as suited their needs. During this period

before 1756, however, the Russian Empire sparred with Prussia for dominance over the Baltic, and therefore was generally aligned with Britain against Prussia and their ally France.²

With the advent of the Revolution, this order was shattered. Austria abandoned Britain and aligned with their continental rival France – a previously unthinkable proposition given how France threatened the western borderlands of Austria’s Holy Roman domain. Prussia, desiring to annex Austrian land and requiring a strong ally to help it achieve this, turned from France to strike a deal with Britain. Russia, fearing joint British and Prussian domination in the Baltic, joined with France and Austria. This colossal diplomatic shift occurred over the course of a few short weeks, and reshaped the political landscape of Europe for decades.

The majority of writing on the Diplomatic Revolution has focused on its political underpinnings without taking into account the way in which the political and economic factors were inextricably intertwined.³ According to these historical accounts, the Revolution, and its associated diplomatic shifts, were spurred by either personal rivalries among the monarchs of Europe at the time, or by wider political and territorial ambitions. This historiography, however, does not generally touch upon the monetary aspects of the Revolution – the role that national and personal finances, as well as trade, played in the realignment of the Quadrille – and when secondary materials do remark upon these financial aspects, it is usually only with a passing mention. This thesis will forego this trend and aim to examine the potential financial foundations

² For a map of the two axes of the Stately Quadrille before and after the Diplomatic Revolution of 1756, see Appendix A.

³ Nicholas B. Harding, "North African Piracy, the Hanoverian Carrying Trade, and the British State, 1728-1828." *The Historical Journal*, Mar. 2000, 25.

of the Anglo-Austrian axis of the Diplomatic Revolution, focusing on what monetary factors contributed to the breakdown of the long-standing alliance.⁴

The first factor that this thesis will examine is the role that British subsidies played in the decision by the Austrians to abandon the British for the French, and how those subsidies led Britain to turn to Prussia. Britain did not have a large army during this period, instead preferring to use subsidies to bolster the armies of its allies who would fight on the mainland on Britain's behalf, brokering deals around the cornerstones of conflict, manpower and weaponry, for the benefit of the British Empire. Following the War of the Austrian Succession (1740-1748), there was a rising sentiment among the British parliament and among the Prime Minister's advisors that Austria was not carrying its military weight given the sums of money that were being given to the Hapsburg monarchs.⁵ Britain began searching for alternative, more effective outlets for their allocated subsidy funds. In response, Austria, which required external sources of revenue to maintain its overextended military and to itself subsidize a set of fortifications in the Habsburg Netherlands along the French border, began to look for new potential partners with more willing purses.⁶ This initial economic schism between Britain and Austria will be examined through the financial ramifications of the treaty that ended that conflict, the 1748 Treaty of Aix-la-Chapelle, wherein the British unilaterally forced Austria to concede several important trading hubs in the Italian peninsula to mitigate their own losses.

⁴ For the purposes of this thesis, many of the factors discussed in this thesis will be considered 'financial' or 'monetary' in nature, as opposed to 'economic' in nature, as they have little to do with the proper economies of the nations discussed.

⁵ Reed S. Browning, *The War of the Austrian Succession*, (New York: St Martin's Griffin, 1993), 355.

⁶ Michèle Galand, "Le subside de la Barrière après la guerre de Succession d'Autriche – L'affaire des Quatorze cent mille florins." *Revue belge de Philologie et d'Histoire*, 1989, 283.

Another monetary factor that potentially led to the fracture of the Anglo-Austrian alliance was the continual friction between British and Austrian trade ventures in the East Indies. For the first part of the 18th Century, the Austrian Ostend Company, founded in 1722, dominated large swaths of European trade in India and the East Indies, much to the chagrin of English merchants. In their mutual efforts to secure an alliance, the British demanded that the Austrians disestablish the Ostend Company, demonstrating the extent to which the British viewed the Company, and Austrian competition in the Indian Ocean more widely, as a threat to their regional influence and trade.⁷ However, continued efforts by the Austrians to make forays into the East Indies served as a source of hostility between the British and Austrian governments, potentially contributing to the breakdown of the Anglo-Austrian alliance and to the wider Diplomatic Revolution.

The final economic factor that will be explored in this thesis is the role that the German state of Hanover played in British trade efforts in the North Sea and the Baltic. The British monarch at the time of the Diplomatic Revolution, George II, was in fact not British himself. He was born German, from the Electorate of Hanover. Ensuring the security of Hanover, which Britain controlled during this period, became a central aspect of British foreign policy during George's reign. While most historians attribute George's desire to protect his German holdings to a simple personal desire to ensure the safety of his birthplace, this essay will further examine the financial factors that contributed to this policy. Hanover, a military check on French expansion into the Low Countries, also served as a trade hub for the British.⁸ The protection of Hanover encapsulated

⁷ Syama Prasad Basu, "The Conspiracy of the English East India Company against the Ostend Company in Bengal (1722-1727 A.D.)," *Proceedings of the Indian History Congress*, 1964, 1.

⁸ Harding, 28.

Britain's European policy to such an extent that one of the primary factors in allying with Prussia was to ensure the safety of the Electorate.

While it of course cannot be said that the economic motivators explored in this thesis are the sole cause of the Diplomatic Revolution, as the territorial, military, and personal factors are undoubtedly of equal importance, I will endeavor to examine and highlight the often-overlooked role that financial concerns played in the Revolution. Be it in the form of trade, subsidies, or natural resources, the intertwined nature of international politics and economic motivators during this period are of paramount importance in understanding the collapse of the Anglo-Austrian Alliance and the Revolution.

The Treaty of Aix-la-Chapelle and the Importance of Subsidies

The first economically-motivated fracture that led to the breakdown of the Anglo-Austrian Alliance and the Diplomatic Revolution of 1756 occurred almost a decade prior to the Revolution, in the wake of the War of Austrian Succession (1740-1748), and was centered around British subsidies to Austria. While not as expansive or as deadly as the subsequent Seven Years' War that erupted in the wake of the Diplomatic Revolution, the War of Austrian Succession was a protracted, bloody conflict.⁹ Despite the overwhelming desire of both sides to end the conflict after a short period, the war dragged on for years, leading to the deaths of almost half a million, three-fourths of whom were civilians.¹⁰¹¹ Historians have contributed the drawn-out, lagging nature of the war to a confluence of factors. However, the primary cause has been attributed to the fact that

⁹ For a timeline of important events pertaining to this Thesis, see Appendix B.

¹⁰ Browning, 354-355.

¹¹ *Ibid*, 377.

each power was concerned with its own interests, with little regard for the military, economic, or political fortunes of its allies.¹²

As will be discussed, the seeds of the Diplomatic Revolution of 1756 were sown during the War of Austrian Succession. Once the dust settled and the political ramifications became clear, the British began to view their Austrian allies as a less-effective bulwark against the French, and their opinion of their formerly-steadfast ally grew increasingly skeptical after a series of Austrian military defeats. Despite this, the British generally desired to maintain the alliance with Austria while searching for alternative avenues for their subsidies.¹³ In the lead-up to the Revolution, the seemingly-impossible thought of Austria allying with their perennial enemy in the French was far from most British diplomats' minds.

The Austrians, facing the potential for another British betrayal of their interests, as had occurred with the peace treaty that ended the War of Austrian Succession, began to prepare for a Europe in which they did not have the backing of the English. While these fault lines were certainly political, they were also financial in nature, with the military and dynastic interests of both nations being closely intertwined with their coffers.

The War of Austrian Succession was on its face a conflict over whether or not a woman could or should rule the vast dynastic lands of the Austrian Habsburg Monarchy. However, it was in many ways a simple attempt by Austria's rivals – France, Prussia, and Bavaria – to check the Habsburg state's power across Europe.

¹² Browning, 368.

¹³ Jeremy Black, "On the 'Old System' and the 'Diplomatic Revolution' of the Eighteenth Century," *The International History Review*, May 1990, 317.

Holy Roman Emperor Charles VI had no male heirs. As such, his dynastic lands, and the vast power that came with them, would pass to his nieces, the daughters of his deceased older brother. To prevent this, Charles promulgated the Pragmatic Sanction of 1713, a modification of the long-standing Habsburg succession laws that would enable his own daughter, Maria Theresa, to inherit the Habsburg domains spanning Austria, Bohemia, Northern Italy, and the Netherlands. The Sanction took effect upon Charles' death in 1740, and caused dynastic shockwaves throughout Europe. France, seizing upon the opportunity to check Austria's growing influence and power, backed a rival claimant to Maria Theresa's throne: Prince-Elector Charles Albert of Bavaria. Austria called its allies – Britain and the Netherlands chief among them – to defend the right of Maria Theresa to hold the title of Holy Roman Empress.¹⁴¹⁵

The Pragmatic Allies, as they came to be called, found themselves facing ever-increasing odds as opportunistic enemies of the Habsburgs, such as Frederick the Great of Prussia, clambered to tear down their dominant Central European rival. The battle-lines were drawn across three main theatres in Europe – in the Low Countries of the Netherlands and Belgium, in the Silesian and Bohemian frontier of the Austrian Empire, and among the rich and powerful city-states of North Italy that lay within the Austrian sphere of political and economic influence.¹⁶ The War of Austrian Succession ended in 1748 with a dissatisfying peace for all parties involved. Each side left disappointed. Many of the underlying political and economic factors that spawned the war in the first place, such as the tensions between Austria and Prussia over control of the rich lands of

¹⁴ The British and the Dutch had previously accepted the 1713 Pragmatic Sanction as a stipulation of the 1731 Treaty of Vienna that established the Anglo-Austrian Alliance.

¹⁵ For a map of the two axes of alliances that took part in the War of Austrian Succession, see Appendix A.

¹⁶ Browning, 13.

Silesia, remained unresolved. The settlement that ended the war and presaged the Diplomatic Revolution was known as the Treaty of Aix-la-Chapelle.

The Treaty of Aix-la-Chapelle was signed in the spring of 1748 and had major consequences for the longevity, or lack thereof, of the Anglo-Austrian Alliance. The Treaty was a negotiation primarily between the British and French. Austria, alongside the other vying powers such as Prussia and Bavaria, was kept from the proceedings so as to ensure a peace that was most beneficial to British, French, and Dutch interests. The British in particular desired to preserve their commercial rights in the Americas, and it was those economic interests that prompted the British to cut the Austrians from the formulation of the treaty.¹⁷ Initial drafts of the treaty were written as early as 1746, but the rapidly-changing fortunes of the competing nations led to each power continuing to press their opponents when they felt they had an advantage regardless of the state of their allies' forces, significantly extending the length of the conflict.¹⁸ Once the treaty drafted by Britain, France, and the Netherlands was finalized, it was presented to the other belligerents, Austria among them, with a simple choice: accept the terms, or continue fighting the war on your own.

The dissatisfaction, from the length of the war and the number of casualties to the amount of money spent and the generally one-sided transfer of territory, led to long-standing grievances among the Great Powers of Europe – both between and within alliances.¹⁹ Historian Reed Browning, whose writing on the War of Austrian Succession remains a seminal part of the canon on the subject even decades after its publication, posits that each aspect of the Diplomatic

¹⁷ Ibid, 360.

¹⁸ Ibid, 354-355.

¹⁹ Browning estimates the total number of lives lost over the course of the eight-year conflict to be approximately 100,000 combatants and 400,000 civilians from a mixture of famine, disease, and slaughter.

Revolution was presaged by the pained, often halting negotiations that took place eight years earlier at the end of the War of Austrian Succession. From the steady breakdown of the Anglo-Austrian alliance to the warming of relations between Austria and France to the eventual alliance between England and Prussia, each of these, Browning argues, draws back to the Treaty of Aix-la-Chapelle, though he does not discuss at any length the financial friction that stemmed from the Treaty.²⁰

There were two main grievances that arose from the Treaty of Aix-la-Chapelle and the broader War of Austrian Succession that caused both an economic and a political schism between the Austrians and the British. Repeated Austrian failures over the course of the war – best exemplified by their repeated defeats at the hands of the Prussians and the French at the Battles of Mollwitz, Chotusitz, and Sahay – led Britain to reconsider the efficacy of their military partner.²¹ Furthermore, Austria's trust in its British allies was permanently eroded when Britain unilaterally imposed the Treaty of Aix-la-Chapelle upon them. Not only did this damage the Austrians on a purely political level, but it also forced Austria to cede important trading hubs in Northern Italy, like Parma, to the Spanish, to grant the independence of others, like Genoa and Modena, and to cede the wealthy, populous lands of Silesia to Frederick the Great of Prussia.²²

While it would be simple to state that the primary fallout of the Treaty of Aix-la-Chapelle, and therefore of the schism that led to the realignment of the Diplomatic Revolution, was political, the economic impact on the decision-making of Britain and Austria must not be understated. The question of subsidies was a prominent financial motivating factor for both the British and the

²⁰ *Ibid*, 356.

²¹ Black, 310.

²² Browning, 360.

Austrians, with the Austrian ability to wage war at all growing increasingly dependent on the direct flow of funds from London to Vienna over the course of the War of Austrian Succession.²³ The financial importance of subsidies, both for the British and for the Austrians, led to a situation where the British found themselves increasingly impatient with the ineffectiveness of their funds given to Vienna, and the Austrians increasingly wary of the potential for Britain to recall their financial backing.

Britain's strength lay in its navy, which enabled it to both project power globally and to reap the benefits of trade in Europe, the Americas, and in South and South-East Asia. The wealth gained through their trading enterprises, particularly the profitable sugar islands of the West Indies like Jamaica, enabled the British to wield gold as readily as any steel blade. Indeed, roughly a sixth of all British military expenditure over the course of the War of Austrian Succession was devoted to the subsidizing of London's allies on the continent.²⁴ In order to understand the role British subsidies played in the Diplomatic Revolution, one must understand the ways in which Britain weaponized its economy both in wartime and during periods of peace.

Britain's policy of utilizing subsidies to support the militaries of London-aligned nations enabled them to not only bankroll the arming, training, and mobilization of their allied militaries, such as in the case of Austria, but the vast funds they allocated to their co-belligerents enabled them to direct the course of the war to fit their own interests, further blurring the lines between the military, the political, and the economic during this period. If the British did not feel that their allies' priorities were in 'proper' alignment with their own, they would withdraw funds. Reed

²³ M.S. Anderson, *The War of Austrian Succession 1740-1748*, (New York: Routledge, 2013), pg. 174.

²⁴ *Ibid*, 216.

Browning's *The War of the Austrian Succession* touches upon the linkages between British subsidies and London's ability to shift and manipulate the wartime activities of their allies. In Browning's estimation, the British utilized their funds directly to "compel" the Austrians to pursue a strategy that prioritized the French theatre of the conflict, forcing Austria to change their initial emphasis on combating Prussia in Silesia as they brought their wartime efforts to comply more closely with British demands.²⁵ Historian M.S. Anderson takes this estimation one step further, and writes that the British, in the midst of Austrian military failures in the Netherlands over the course of the War of Austrian Succession, began to modify the stipulations of their payments. The British Parliament attached "strict and detailed provisions" regarding the Austrian soldiers they were subsidizing, including the specific number of troops, the location of their deployment, and the training and preparation they were to undergo.²⁶ In this way, the British ability to fund the military endeavors of allied nations linked the political and economic rationale of war-making and promoted British interests across Europe.

The issue of subsidies was, however, not merely consigned to the decision-making of the upper echelons of government – there are numerous instances of newspaper articles published during this period and distributed widely that dealt with Britain's militant monetary machinations. Of the roughly dozen newspaper articles published between 1746 and 1758 that dealt explicitly with the topic of subsidies, the majority that wrote concerning British funds to the rest of Europe did so in a positive manner. This showing of popular support demonstrates that not only did the British public have full awareness of their government's practices, but that they also supported this strategy over implementing a large, professional standing army of their own, highlighting the

²⁵ Browning, 366.

²⁶ Anderson, 158.

importance of the strategy both as a means of influencing the politics of Continental Europe and as a means of maintaining a productive, and above all happy and non-rebellious, population in the Home Isles.²⁷

One such article, written in 1755 by an unknown author in the *Leeds Intelligencer*, one of the first large news publications in Great Britain at the time, summarizes the entire stratagem and encapsulates the political and economic nature of Britain's subsidy tactic. The author states that “. . . the sending of Subsidies abroad for the Hire of foreign troops to act on the Continent against France in case of Need, and in order to divert their Forces from the Purpose of an invasion is the best Method we can take in our Situation.” The importance of these subsidies as acting as a bulwark against France is a recurring motif in this article, and echoes the established purpose of the Anglo-Austrian alliance: to act as a check upon French aggression in continental Europe. The author continues, going on to explain the primary economic difference between England and the rest of Europe, “The English have no Mines of Gold, and few or next to none of Silver; and yet the English have greater Plenty of Cash circulating among them than is observable in most other Nations.” Again, the ability of Britain to weaponize their vast financial resources in ways that other nations were unable to match – is brought to the fore.²⁸ The author continues, noting the lack of martial

²⁷ This is by no means a complete or exhaustive sample – the newspaper articles in question were procured from the Gale Primary Sources directory of British Library Newspapers. While there are likely significantly more articles dealing with subsidies that lie outside this collection, it is not unreasonable to assume that this collection, which includes prominent newspapers from the period, such as the *Leeds Intelligencer* and the *Scots Magazine*, is reflective of widely-held beliefs regarding the use of subsidies in the years between the War of Austrian Succession and the Diplomatic Revolution.

²⁸ While other nations like France and Austria possessed vast stretches of land and populations that significantly outnumbered the relatively meager population of the British Isles, the autonomy of the continental lords and the inefficiency of their tax collection, as well as the penchant for British noblemen

proWess in the wider British populace and the logical conclusion of these multifarious economic and military factors, “This therefore being the Case, what have you to do when a War becomes unavoidable, but to hire as many as are necessary of these Foreigners who prefer the Solider to the Manufacturer, to fight your Battles; and in the meanwhile to keep your own People usefully and beneficially employed, in order to be able to maintain them?”²⁹

An important aspect of this strategy is the emphasis on the ability to avoid war altogether. To the British, ensuring the balance of power through peaceful means – through bolstering of allies and ensuring French aggression was smothered in its cradle – was preferable to enforcing the balance of power through conflict and the defeat of an aggressor. Alliances served for the most part as a check on expansionism, a system that the British hoped would keep the Bourbon lion caged and would thwart the perennial French dream of a ‘universal monarchy’ spanning all of Europe, as Charlemagne forged in the Dark Age of Europe.

The maintenance of the balance of power at all costs was a hallmark of British foreign policy, and subsidies were an important aspect of this bulwark. Subsidies, often utilized offensively to arm and prepare allies for war, were also used defensively as an attempt to stave off attack. For example, in the weeks before the breakout of large-scale hostilities in the Seven Years’ War, the British threatened the Russians, who eyed the Prussian lands of the Baltic hungrily, with a revocation of their subsidies, as laid out in this newspaper article from 1757: “. . . accordingly we are informed that Orders have been sent to Sir Charles Hanbury Williams, to declare in due Form to the Empress of Russia, That from the Moment her Majesty’s Forces set Foot on the Prussian

to enter trade unlike their continental counterparts, led to a much larger trade revenue on the side of the British.

²⁹ “The Subject of Subsidies continued: Concerning the cheapest Method of carrying on a War against France,” *The Leeds Intelligencer*, December 23, 1755.

Territories, and there commit Hostilities, the annual Subsidy of 100,000 l. payable by Great Britain by Virtue of the Treaty of 1755, shall absolutely cease.”³⁰ Indeed, this attempt to curb the Russians through monetary means was a severe miscalculation on the part of the British and the Prussians, both of whom believed that Russian dependence on British subsidies would ensure their alignment with Britain’s interests, or at the very least their neutrality in any conflict in Continental Europe.³¹ This political error led to Russian entry into the Seven Years’ War on the side of the Franco-Austrian axis so as to counter Prussia, even at the cost of their British funds.

The use of subsidies was not always a successful undertaking and, despite the assertions of the above sources that bankrolling allies was a cost-effective and ultimately prudent enterprise, did not always result in the outcomes the British government desired. There were several examples, best typified by the military failures of the Austrians and the glacial mobilization of the Russians during the War of Austrian Succession, that led Britain to reexamine the implementation of the subsidies bestowed to their European allies, if not the policy itself. A piece in the *Scots Magazine* published in 1748 includes a short song, a verse detailing the role of the Russian auxiliaries in the recently-concluded War of Austrian Succession. While this piece of music – published in the ‘Arts and Popular Culture’ section of the magazine – is likely a form of satire given its content, the message within is fundamentally a biting jab at the subsidy policy of the British government. A small portion of the song states,

So, modern Prudence, waging war by tale
O’er sense of praise bids sense of price prevail.
Nor fame, nor faith, nor vengeance, move supply:

³⁰ “London, June 16,” *The Leeds Intelligencer*, June 21, 1757.

³¹ Franz A. J. Szabo, *The Seven Years War in Europe, 1756-1763*, (New York: Routledge, 2008),

For glorious subsidy, we live and die.
Bribes battling bribes embroil each bleeding coast;
And he who buys his valour, triumphs most.³²

This wry piece of writing at first glance simply demeans the rationale of the Russian soldiers for fighting – for living and dying for money. However, the passage takes on a new meaning when the historical context of the end of the War of Austrian Succession, which had ended less than half a year prior, is teased apart and examined. In the final stages of the conflict, the British parliament, desiring to pressure the Prussians and French into a peace deal, agreed to bankroll the Russian crown's mobilization of thirty-thousand soldiers to aid in the Pragmatic side of the conflict. The British paid for the equipment, training, and mobilization of the large fighting force. However, the Russian military during this period was “notoriously slow to mobilize” and ruinously expensive to equip.³³ By the time the Russian auxiliary forces finally managed to fully mobilize, officially join the conflict, and march their army to the front, the war had already ended and the British were unable to recoup their funds from the so-called Rhine Campaign of 1748. This, combined with the less-than-exemplary performance of the Austrian forces during the conflict, gave rise to increasing pressure within the British government to revisit the subsidy policy in Europe.

The failures of the subsidy policy during the War of the Austrian Succession led to a debate in the British government over the use of continental subsidies. In the wake of the losses resulting from the Rhine Campaign and the acknowledgement that Austrian forces continued to be bested despite the subsidies provided to Vienna by the British, there were a number of individuals in the

³² “Arts and Popular Culture: On the march of the Russian auxiliaries, 1748,” *The Scots Magazine*, March 4., 1748.

³³ Reed Browning, “The Duke of Newcastle and the Imperial Election Plan, 1749-1754,” *Journal of British Studies*, Nov. 1967, 32.

British government, such as the famed statesman William Pitt the Elder, who felt that subsidies to allied European states should be halted or at least curtailed. This led to a “rancorous debate” in parliament on the subject in the early 1750s.³⁴ The Prime Minister at the time, the Duke of Newcastle, the primary engineer behind the so-called Newcastle System of alliances that birthed the Anglo-Austrian alliance, attempted to push back against Pitt and his followers. However, the damage was done. Subsidies became such a hotly contested subject that even Newcastle’s brother, the Chancellor of the Exchequer Henry Pelham, refused to allocate British funds to any peacetime ally, as they could not be trusted to carry their weight and make good on their word during times of war.³⁵ The question of the efficacy of subsidies remained a source of debate in the years leading to the Diplomatic Revolution.

Despite the fact that the British were reviewing their strategy of subsidies during this period, the Newcastle System, and the Anglo-Austrian alliance that held at its core, remained stable in the interwar years. This raises an important question, however. In what way did the uncertainty of continuing British funds potentially affect the Austrian political calculus, and did it affect the Austrian decision to ally with France as part of the Diplomatic Revolution? The answer, at least to the latter, was yes.

The Austrians themselves ended up making that final, decisive move to break with the British and to align with Paris, and their decision-making in so doing was at least partially motivated by the issue of subsidies. In the wake of the War of Spanish Succession (1701-1714), the Austrians crafted a set of treaties with the Dutch known as the Barrier Treaties. The treaties

³⁴ Fred Anderson, “Crucible of War: The Seven Years’ War and the Fate of Empire in British North America, 1754-1766,” (New York: Vintage Books, 2000), 127.

³⁵ “The Duke of Newcastle and the Imperial Election Plan, 1749-1754,” 32.

stipulated that the Dutch would man and maintain a series of fortifications along the border with France, and in return the Austrians would pay the Dutch government a commensurate subsidy. This agreement enabled the Austrians to maintain their interests and sphere of influence in the southern portions of the Low Countries without maintaining a large standing force in the region themselves.³⁶ However, by the time the War of Austrian Succession had ended over thirty years later, the payments needed to be made to the Dutch for the Barrier maintenance had grown to a ruinously expensive 1,400,000 florins annually.³⁷ Incidentally, at the same time, the British began to reconsider their long-standing subsidy policy, throwing the Austrian ability to themselves pay for the Barrier Treaty into doubt.

In desperate need of a secure source of funds, as the Austrians would likely have been incapable of both ensuring the maintenance of their own forces and the payment of their debts to the Dutch simultaneously without outside aid, Vienna expanded its search for alternative patrons. The State Chancellor of the Austrian Empire, Wenzel Anton von Kaunitz-Rietberg, a long-time advocate for the thawing of relations with Paris, recognized that it would be possible to achieve multiple goals with a single agreement. By aligning with France, it was reckoned, Austria would be able to obtain a potentially secure source of subsidy funding, gain a powerful military ally to deter Prussian aggression to the north, and render the Barrier Treaties and their catastrophically high maintenance obsolete. As such, covert Austrian overtures to France began in 1754, and the foundations of the Diplomatic Revolution were laid. The Austrians would receive some 7.5 million

³⁶ The southern region of the Low Countries known as Flanders was a possession of the Spanish Crown from 1556 to 1714, when they passed into the possession of the Austrian Habsburgs following the War of Spanish Succession. As used in this thesis, the term ‘Austrian Netherlands’ will refer to this Flemish region of the Low Countries under Austrian rule in the 18th Century.

³⁷ Galand, 296.

Gulden annually from the French over the course of the subsequent Seven Years' War, to a total of approximately 24 million Gulden in financial assistance.³⁸

It is generally agreed upon by historians that the primary factor that contributed to the Austrian desire to break with Britain and align with France was the potential to recapture the rich Silesian lands ceded to Prussia as part of the Treaty of Aix-la-Chapelle, a proposition that Maria Theresa made a cornerstone of her foreign policy at the time.³⁹ However, the timing of the thaw with France, coupled with the fear of potential financial ruin posed by the Barrier Treaty should not be discounted in the decision-making of the Diplomatic Revolution, and should be examined more closely.

Despite the Duke of Newcastle's insistence on maintaining the Anglo-Austrian alliance and the wider Newcastle System in the lead-up to the Diplomatic Revolution, it is likely that the British, on some level, recognized the events that were unfolding. In a 1754 correspondence, Newcastle wrote to William Cavendish-Bentinck, the Duke of Portland, regarding his fears of the longevity, or lack thereof, of his system and of the Anglo-Austrian alliance writ-large. He stated simply, "the great System is on the point of being dissolved . . . the conduct of Vienna is astonishing. They act as if they had no occasion for Us."⁴⁰ Along the same vein, Britain had been making overtures to Prussia for some months in the lead-up to the Revolution, and began to prepare a set of subsidies to build up Frederick the Great's army so as to defend British lands in North Germany. This act both delighted Frederick and rankled Maria Theresa, demonstrating clearly that despite Newcastle's desire to maintain Austria as a bulwark against French aggression, there was

³⁸ Szabo, 124-125.

³⁹ Crucible of War, 71-72.

⁴⁰ The Correspondence of Newcastle to Bentinck, 17 Dec. 1754, quoted in Anderson, "Crucible of War," 127.

recognition that the Anglo-Austrian alliance was dying, and that steps needed to be taken to ensure the maintenance of British interests on the continent.⁴¹

To summarize, the British, who up until the War of Austrian Succession utilized subsidies as an effective tool to wage indirect war against France, faced a financial reckoning when their efforts during the conflict led to military failures and wasted vast sums of money on arming the Austrians and the Russians. In response, factions within the British government pushed for a re-evaluation of the practice, and proposed a moratorium upon any further utilization of British money to support allies on the mainland. The Austrians, fearing another British betrayal like in the Treaty of Aix-la-Chapelle and needing an outside source of funds to both equip their army and to themselves subsidize the series of Barrier Treaty fortifications along the Dutch border with the French, turned to Paris for support. This would both provide the Habsburg monarchy with a steady source of subsidies and eliminate the need for the Barrier Treaty altogether, freeing up further funds to allocate to defense and the military.

The political and financial calculus resulting from the War of Austrian Succession and the Treaty of Aix-la-Chapelle was not the only monetarily-motivated factor that contributed to the rising tensions between London and Vienna and the eventual breakdown of the Anglo-Austrian alliance. Friction between Britain and Austria in the colonial sphere, particularly with regards to European control over the East Indian tea and textile trade and the battle for the markets of India exacerbated existing mercantile tensions between the two European powers. Economic combat between the two, primarily over the establishment of Austrian trading companies, led to a strained economic relationship and would contribute to the Diplomatic Revolution.

⁴¹ “The War of the Austrian Succession,” 355-356.

The East Indies Trade as a Source of Anglo-Austrian Friction

During the 18th Century, Britain's strength as an empire lay in its ability to project power overseas – be it economic, military, religious, or cultural. The economic aspect of Britain's multi-continental empire, however, was the beating heart that propelled that nation's imperial expansion. The Dutch Empire usurped the Portuguese stranglehold on the trade of the Indian Ocean in the early 17th Century, and the British in turn usurped the Dutch. They reaped the benefits for the decades following, sparring with their main rival in the French for mercantile dominance over the East Indies trade, making slow but steady political and economic inroads into the Indian subcontinent itself.

The British desire to control the economic benefits of the textile and spice trade of the East Indies led to conflicts with first the Portuguese, and then the Dutch and Austrians. Unlike the other competitors for dominance of the East Indies, however, Austria was by no means a traditional colonial power. During the 17th and 18th Centuries, its ability to project power overseas was limited, and its imperial focus lay in its continual conflicts on the European continent against the French to the west and the Ottoman Empire to the east. However, despite this lack of a traditional colonial framework, the Austrian crown pursued a number of ventures into the East Indian trade, and this foray into global trade, this invasion of a traditionally British-dominated sphere, was a source of economic friction between Britain and Austria that contributed to the breakdown of their twenty-five-year alliance.

The most profitable of the Austrian East India companies was the Ostend Company, based in the Austrian-controlled portion of the Low Countries. Founded in 1722, the Ostend Company quickly became one of the major trading forces in the Indian Ocean and vied with British trading companies, threatening their interests in the region. As established in the above section on the

British use of subsidies, the British ability to fund its allies was paramount to Britain's continental security and as a check on French expansionism. While, as evidenced by the failures of the Rhine Campaign of 1748 and Austria's military shortcomings during the War of Austrian Succession, the utilization of wealth in service of British political interests could be at times faltering, it remained an important pillar of British policy throughout the 18th Century. Therefore, any assault upon British mercantile interests could be viewed as an assault on the British ability to wage war effectively. The British government viewed the Company as a direct threat to its interests in the area and began a concerted campaign to crush the endeavor in its infancy.⁴² The disestablishment of the Ostend Company was one of the primary stipulations put forth by the British as a prerequisite for establishing an alliance between London and Vienna as part of the 1731 Treaty of Vienna, leading to the twenty-five-year partnership between the two nations.

The Ostend Company, officially known as the Generale Keijzerlijke Indische Compagnie (GIC), emerged as an attempt by a group of merchants based in the Austrian Netherlands to enter into the lucrative trade between the East Indies and the European continent, namely in textiles, tea, and other profitable goods. It was rapidly chartered by the Austrian Emperor Charles VI as a means to expand Austrian influence and mercantile enterprise in the Indian Ocean. Distinct from its Dutch and English counterparts in that it was expressly prohibited from conquering land in the East Indies, the Ostend Company focused entirely on trade and the accumulation of wealth for the

⁴² Basu, 3.

merchants of the Austrian Netherlands, choosing to not involve itself in the politics of the Indian and Malaysian subcontinents.⁴³⁴⁴

Once established, the Ostend Company quickly made forays into the lucrative East Indian trade, encroaching on a predominantly French and English sphere, and threatening British mercantile hegemony over the Indian Ocean. The rise of the Ostend Company was meteoric. At the height of its mercantile influence, ca. 1727, the Company imported roughly half of the Chinese tea consumed by Europe – the other half being controlled by its main rival in the British East India Company.

Its success was so prominent, and so swift to develop, that a political pamphlet was produced and distributed to the British public in 1726, a mere four years after the Company's establishment, denouncing the Ostend Company as an existential threat to British trade and as a herald of the end of Protestantism Reformation.⁴⁵ The author of this piece is unknown, as most political pamphlets printed during this period were done so anonymously, so as to be able to take advantage if the monograph were well-received, and to shy from criticism if not.

The pamphlet begins with an attempt to persuade the reader of the importance of the warm relationship between the Dutch and the British, and barely mentions the Ostend Company for the

⁴³ Gijs Dreijer, "The Afterlife of the Ostend Company, 1727-1745," *The Mariner's Mirror*, Jul. 2019, 2.

⁴⁴ Although the British East India Company was allowed to conquer territory in the East Indies and the Indian Subcontinent as per its charter, it is an important point of clarification that direct Company intervention in and rule over parts of Bengal and other regions in India had not yet occurred at this point in time.

⁴⁵ Pamphlets of this nature were often published and mass-produced at the request of members of parliament during this period as a means of both educating the populace and to throw the debate to the public forum, much like the opinion pieces of today. Therefore, it is quite likely that this pamphlet was commissioned by a member of parliament for such a purpose.

first several pages. Linking the two nations via trade and via religion, the author states simply that “their Interest, and Safety are, mutually, inseparable.”⁴⁶ The attempt by the author to illustrate the close ties between the two nations, combined with the timing of the article – a mere handful of years following the Ostend Company’s establishment – and the cautioning nature and tone of the monograph seems to suggest that the purpose of the piece is to raise awareness of the existence of the Company and to rouse public opinion against it.⁴⁷ The author continues to rail against the Ostend Company, linking its charter by the Austrian crown to the erasure of the Balance of Power among the states of Europe and to the wider Catholic-Protestant schism in Europe. He states simply, “. . . the Trade of Holland, if ruin’d, will remove into the Austrian Netherlands; whereby the Balance of Power in Europe, will be vested in the House of Austria; and the Popish Interest will be strengthened . . .”⁴⁸ The author clearly elucidates the position held by the British parliament at the time: that the balance of power in Europe, and the maintenance of Britain’s position both as a major player in European politics and as master of the seas to its trading fortunes. More interestingly, however, he posits that all that prevents the Austrians from overrunning its rivals and shattering the said Balance is its coffers – an interesting facet to note given both Austria’s

⁴⁶ “The importance of the Ostend-company consider’d,” printed by E. Say and sold by J Roberts at the Oxford-Arms in Warwick-Lane, 5.

⁴⁷ Although the presence of this pamphlet suggests that the wider British public was in some form aware of the Ostend Company, a search of the Gale Primary Sources directory of British Library Newspapers nets zero results pertaining to the Ostend Company, and zero results regarding the Company’s official name, the “Generale Keijzerlijcke Indische Compagnie.” While, as mentioned previously, this collection of primary source material does not encapsulate the vast breadth of popular material during this period, it remains an authoritative and substantial collection. The total lack of results within this database seems to suggest that public knowledge and understanding of the Ostend Company as a threat was relegated to the upper echelons of British society and government.

⁴⁸ “The importance of the Ostend-company consider’d,” 29.

financial woes amidst the Barrier Treaties previously discussed and the use of subsidies by the British to bolster their fighting capabilities.

The author of this piece makes clear his view of the existential threat that the Ostend Company posed, illuminating the rationale behind the British government's later campaign against the Company. The main aspect he focuses on is the potential impact on Britain's ability to execute its commercial goals both at home and abroad, given the Ostend Company's influence both in the English Channel and in the Indian Ocean. He writes,

Having made out the five preliminary Propositions, I now shall expose naked to the View of the British, and Dutch Nations, those Dangers they are threaten'd with from the Ostend Company. The Consideration of the Importance of the Ostend Company, is not to be confin'd to the Trade that that Company carrieth on to the East-Indies; but as that Trade will be the Cause of Fore-runner of Commerce reviving, and re-flourishing in the Austrian Netherlands, and of such Commerce becoming a Nursery for Seamen, and so make the Austrian Netherlands our Rival in Trade, and Naval Power.⁴⁹

This linkage between trade, naval power, and the Balance of Power in Europe is key, and will be discussed further in the section regarding the attempts by the British to stifle the Ostend Company both through economic and then diplomatic means. It was understood by both the author of this piece and by the powerbrokers of the British government that the linkage between the economic cornerstone of Great Power Politics, and the importance of trade and commerce in the maintenance of power and alliances, was at stake in the conflict between the British economic machine, exemplified by the British East India Company, and the Ostend Company.

The claims made for the majority of the piece remain relatively grounded in common sense, and require few leaps of the imagination, until the conclusion of the piece. It is not too much of a

⁴⁹ "The importance of the Ostend-company consider'd," 31.

conjecture to posit that the establishment of a profitable and expansive East India Company by the Austrians that traded in the same products as the British, in this case textiles and tea, would lead to both the propagation of Austrian interests in the region at the detriment of the British and a shift in of the balance of power. However, the author takes this notion one step further. He ends the piece by decrying the Ostend Company, in his mind a proxy for the Papacy through the staunchly Catholic Habsburgs, as the herald of the end of the Protestant Reformation and of English liberty. In the final paragraph of the pamphlet, the author writes, “if the reviving Trade, and Navigation of the Flemings be not stifled, our Commerce, and maritime Power must dwindle, and decay: And that, the house of Austria become Mistress of Navigation, she will get Trade into her power; and by consequence, Riches; and, If I may say so, will have the World at Her Beck; and then, the Liberties of Europe will soon be no more, and the Protestant Religion be destroy’d.”⁵⁰ This clear utilization of extreme hyperbole, or at the very least substantial exaggeration, serves as yet another clear indicator of the purpose of the pamphlet. Any rational reader or historian would be able to recognize that in the year 1726, with Protestantism entrenched throughout Europe and its colonies, that the Anglican creed was in no danger of being erased from the earth. However, this playing of passions demonstrates the extent to which the author and, by extension, the extent to which factions within the British government – assuming that this pamphlet, like most of its kind published during this period, was commissioned by a member of British Parliament – were willing to go to vilify the Ostend Company in the minds of the British populace.

The British governmental and mercantile communities so viewed the Ostend Company as an existential threat to their power and influence in Europe, and to their wider economic goals in the East Indies and the Low Countries that they began a concerted campaign to eliminate their

⁵⁰ “The importance of the Ostend-company consider’d,” 55.

Flemish rivals in the Indian Ocean trade. Not only did the British Parliament pass legislation prohibiting any British subjects from doing business with the Ostend Company, but the Prime Minister at the time, Robert Walpole, even contemplated a “declaration of war” against the Ostenders as a means of crushing the threat they posed to British trade in the region.⁵¹ Given Walpole’s well-documented aversion towards all forms of international conflict, the mere fact that the Prime Minister would consider such a course of action proves the threat the political establishment of Britain felt the Ostend Company posed. In line with Walpole’s allergy against war, in lieu of such drastic action, and in concert with the Dutch East India Company, the British East India Company utilized its expansive resources and connections to neutralize deals the Ostend Company attempted to make in the Indian Subcontinent. They adopted a number of strategies, ranging from bribery of local officials to seeking representation at the court of the Nawab of Bengal.⁵² In this way, the British attempted to bankrupt the Company through the use of their Indian allies, ensuring that when the Ostend Company spent their assets to achieve a deal with a local Indian power, they would be met with failure and would waste their initial investments.⁵³

These attempts by the British to smother the Ostend Company via subterfuge and commercial pressure proved to be ultimately unsuccessful, however. Realizing that competing with the Company economically, through either legitimate means or underhanded attempts to break the back of the Ostend venture, was not a viable option, the British decided to strike at the source and to defang their Austrian rivals once and for all, through diplomatic avenues.⁵⁴

⁵¹ Basu, 2.

⁵² *Ibid*, 3-4.

⁵³ *Ibid*, 3-4.

⁵⁴ While it would be facile to suggest that the main factor that pushed the British to the negotiation table with the Austrians was the Ostend Company – multiple other factors, such as a desire by Newcastle

The Ostend Company was de-chartered as part of the Treaty of Vienna in 1731 that established the Anglo-Austrian Alliance. The British, utilizing the Austrian desire for a strong ally against France as a trading chip, took the opportunity to snuff out a major competitor in the East Indies via diplomacy. The portion of the text of the Treaty of Vienna that pertains to the Ostend Company states,

. . . his Imperial Catholick Majesty promises, and, by virtue of the present Article, binds himself to cause all Commerce and Navigation to the East-Indies to cease immediately and for ever in the Austrian Netherlands, and in all the other Countrys which in the Time of Charles II Catholick King of Spain, were under the Dominion of Spain; and that he will bona fide act in such manner, that neither the Ostend Company, nor any other . . . shall at any time directly or indirectly contravene this Rule . . . Excepting that the Ostend Company may send, for once only, two Ships, which shall sail from the said Port to the East-Indies, and from thence return to Ostend, where the said Company may, when they think fit, expose the Merchandizes so brought from the Indies to Sale.⁵⁵

The treaty eliminated entirely the ability of the Austrian Crown to engage in East Indian trade, and forced the Austrian monarch to not merely stop direct support for the Ostend Company and any related ventures, but to actively stamp out any Austrian attempts at trading in the Indies. Despite the focus on Europe promulgated by *The Importance of the Ostend Company Consider'd*, with its emphasis on the trade in the Low Countries itself, the Treaty of Vienna itself focused entirely on

to secure a strong continental ally to box in the French, were likely significantly more important – the simple fact that this stipulation was included in the treaty at all proves that the Ostend Company was of significant concern to the British at the time.

⁵⁵ “A General Collection of Treaties of Peace and Commerce, Manifestos, Declarations of War, and other Publick Papers, from the End of the Reign of Queen Anne to the Year 1731,” *London: Printed for J.J. and P. Knapton, J. Darby, D. Midwinter, and A. Ward, A. Bettesworth and C. Hitch, J. Pemberton, J. Osborn and T. Longman, C. Rivington, F. Clay, J. Batley, R. Hett, and T Hatchett*, 222.

the East-Indian trade aspect of the Ostend Company, attempting to neuter the British East India Company's rival. With the backing of the Austrian monarchy revoked alongside the lucrative profits of the East Indies tea trade barred from their grasp, it was hoped that the Ostend Company would shrivel and die.

It is interesting to note the ways in which the British once again carried out their political agenda through economic means, and their economic agenda through political means. The simple fact that the British government felt threatened enough by the Ostend Company to stipulate the cessation of its functioning in the East Indies is a demonstration of the extent to which British merchants and MPs feared the fledgling, upstart, Ostenders. By including the Company in the Treaty of Vienna, the British were capable of not only removing their primary rival for control over the East Indian textile and tea trade, but they succeeded in shackling the Austrians to them economically, as the Austrians were continually buried under the costs of their conflicts with the Ottoman Empire and other powers, as well as the ruinous maintenance of the aforementioned Barrier Treaty with the Netherlands. Additionally, the British were able to utilize their economic leverage to achieve their long-standing political and military goal of maintaining a strong system of Continental alliances so as to hem in the French. Given the notion posited earlier in the pamphlet *The Importance of the Ostend Company Consider'd* – the idea that all that stood in the way of the Austrian behemoth wiping away the Balance of Power in Europe and the Protestant Reformation with it was its continually flagging finances – the British used their political situation to benefit their economic standing, and vice versa, and thereby kept the Austrians close and in check.

As has been demonstrated, at least part of the rationale behind the establishment of the Anglo-Austrian Alliance on the side of the British was economic in nature, and based around the disestablishment of the Ostend Company. The question therefore remains: to what extent did this

impact the British and Austrian alliance going forward, especially if the Ostend Company had been eliminated as a factor?

The crux of the issue, and the main factor contributing to continuing economic, and therefore political, strain between the two nations and the eventual Diplomatic Revolution, was the fact that the Ostend Company, while dis-chartered by the Treaty of Vienna, did not in actuality cease to operate in the East Indies. It instead continued to function in a significantly reduced manner, all the while imparting its knowledge, economic knowhow, and resources to rivals of the British East India Company.

Although the Ostend Company was effectively dissolved as a result of the Treaty of Vienna, it continued to pursue its interests, further impinging upon British trade in the region in violation of the Treaty of Vienna through a number of legal and monetary workarounds. The first circumvention on the part of the Ostend Company was an explicit violation of the terms of the Treaty of Vienna, which stipulated that the Ostend Company was allotted two ships worth of cargo to be sent to the East Indies and back to Europe to finish their dealings in the region and so as to not accrue deleterious losses. The Company, however, when the time came, sent three additional ships to Bengal and to China to trade illegally utilizing forged Dutch passports – on top of the two allowed by the Treaty of Vienna.⁵⁶ While the Ostend Company attempted to pass these three additional ships off as merely part of the two allotted ships stipulated in the Treaty of Vienna, two of them failed to even reach India before they were stopped by the English after attempting to purchase silver in Cádiz in 1729.⁵⁷ The ties between the economic threat posed by the Ostend Company and the political desire to ensure enforcement of the Treaty of Vienna come to the fore

⁵⁶ Dreijer, 2.

⁵⁷ *Ibid*, 3.

of British policy during this period, reaching even the notice of the Duke of Newcastle. A letter from the Newcastle to the Duke of Dorset, the Lord Lieutenant of Ireland at the time, regarding the Ostend Company's circumvention of the Treaty states that, "Directing the arrest, on complaint of the East India Company, of the Ostend Company's ship *Apollo* if it stops at Berehaven or any Irish port, as that company is prohibited from trading with the East Indies. Cargo is to be preserved with care and immediate notice sent of the arrest."⁵⁸ The efforts of the British government to stamp out the Ostend Company, evidenced by their wholesale embargo on trade with the Ostenders and that an individual as prominent as Newcastle was directing the seizure of Ostend Company ships, continued with moderate successes through the 1740s.

Although those two ships were seized by the British and therefore this initial venture was ultimately unsuccessful, the Ostend Company continued to be a thorn in the side of the British for more than the next decade, inventing and reinventing newfangled ways to continue trading in the East Indies and beyond.

The primary way in which the Ostend Company managed to circumvent its annihilation at the hands of the Treaty of Vienna was through the acquisition of investments from a number of parties in Scandinavia. The Swedes and the Danes jumped at the opportunity to establish their own trading companies, and the Ostend Company aided the recently-established Danish East India Company and took investments from the Swedish monarchy to fuel their faltering enterprise.⁵⁹ Through this surge of Scandinavian investment, the company managed to continue trading in the

⁵⁸ "Aug 27, 1731. Newcastle to Duke of Dorset," National Archives Online Catalogue: SP 63: State Papers Ireland: State Paper Office: Elizabeth I to George III. Vol. 394: Miscellaneous Letters and Papers, 1731 Kew, UK: The National Archives of the UK, 2013.

⁵⁹ Dreijer, 3.

East Indies and continued to cut into British profits, admittedly at a reduced level. While against the spirit of the 1730 Treaty of Vienna, this was technically not a direct violation, as the Ostend Company worked through proxies who were not themselves expressly prohibited from trading with the East Indies.

These indirect means of violating the Treaty of Vienna carried out by the Ostend Company grew to such an extent that both the British and the French put aside their financial and political rivalry, at least for a time, and banded together to attempt to ensure the erasure of the Ostend Company's influence and trading apparatus. In the years following the ratification of the Treaty of Vienna, the British and the French stepped up their enforcement efforts, working in concert to smother the Ostend Company's financial endeavors in the East Indies. British politician James Waldegrave, who would later be named Prime Minister following Newcastle's resignation in 1756, wrote to Charles Delafaye, a member of the Irish Parliament, "In discussions with de Moraz, over the East India Company's reply to a Compagnie des Indes' memorial, France promises to cooperate with Britain in preventing the Ostend Company's trade being carried on under the Prussian, Swedish or Polish flag; France wants the British Governor responsible for having French vessels intercepted, to explain his action; Barrington's claim, Capt. Widdrington partly at fault."⁶⁰ This letter illuminates simultaneously the means through which the Ostend Company circumvented the Treaty of Vienna as well as the joint desire of the British and the French to stamp out the Company. It also illustrates a point of contention between the British and French in the East Indies, in the form of the seizure of French mercantile vessels in British spheres of influence.

⁶⁰ "Jan 16, 1732. Waldegrave to Delafaye," National Archives Online Catalogue: SP 78: Secretaries of State: State Papers Foreign, France. Vol. 200: Earl Waldegrave, 1732 Jan-July Kew, UK: The National Archives of the UK, 2016.

While this cooperation persisted for a time, British zeal in stamping out the Ostend Company made long-term cooperation impossible. In their fervent effort to eliminate the Ostend Company as a rival to the East India Company, the British continued to stop and search French vessels, hampering France's mercantile efforts in the East Indies and leading to a breakdown of the agreement. A missive from the French East India Company to the British, less than a year later, states: "Complaint from the Compagnie des Indes that British and Dutch have searched French ships in the Ganges on the pretext that they might be carrying Ostend Company effects."⁶¹ That the British would go so far as to seize and search the vessels of their main economic and military rival, and nominal ally in the fight against the Ostend Company, demonstrates the desperate, all-encompassing nature of the British fight against the Ostend Company.

Additionally, the Company managed to circumvent a number of stipulations set forth in the Treaty of Vienna via smuggling and trade in Spanish ports, namely Cadiz. Silver, the main currency utilized in Chinese and Indian trade with Europe, was readily available in Cadiz, and the Spanish had previously recognized the Ostend Company's right to exist and to trade in 1725. Because of this, the Ostend Company was able to continue their economic ventures via the free trade hubs of Southern Spain without worrying about British interference.⁶² The British, recognizing the potential for a resurgence of the Ostend Company harbored by Spanish ports and untouchable by the British, Austrian, and French crowns, sought to continue their diplomatic

⁶¹ "1732. Complaint from the Compagnie des Indes that British and Dutch have searched French ships in the Ganges on the pretext that they might be carrying Ostend Company effects," National Archives Online Catalogue: SP 78: Secretaries of State: State Papers Foreign, France. Vol. 201: Earl Waldegrave, 1732 Aug-Dec Kew, UK: The National Archives of the UK, 2016.

⁶² Dreijer, 4.

pressure campaign against the Ostenders. Utilizing their momentary allies in the French as a tool against the Spanish, Earl Waldegrave wrote in to the British diplomat William Stanhope, Earl of Harrington, “French Ministers hope that British discouragement of Spanish ambition [to retain Parma and Tuscany for Don Carlos] will persuade Spain to accept the Treaty; Fleury wants concerted action to prevent Prussia seizing East Friesland, and also would welcome the abolition of the Ostend Company.”⁶³ The joint desire of the British and the French to stamp out the Ostend Company demonstrates the ways in which economic desires impacted and circumvented the political – as well as the limitations of that override. Despite the best efforts of the British and the French, from seizing ships to applying pressure to those nations that harbored the Ostenders, the Ostend Company continued to involve itself in East Indian trade, cutting into the profit margins of both nations.

While the Ostend Company following the Treaty of Vienna was not as great a threat to the British as it had been in years prior, it had a lasting deleterious impact on Britain’s trading ventures through the 1740s. The Ostend Company’s continuing efforts to involve itself in the textile trade of Bengal and China enabled it to continue to operate for roughly thirteen years after the revocation of its charter, no doubt cutting into the profit margins of the British and Dutch East India Companies all the while. The business model of the Ostend Company – importing cheaper teas and focusing on quantity over quality – had enabled the Company to control roughly half of the tea imports into Europe and to rapidly surge to the forefront of East Indian trade in the years

⁶³ “Jan 4, 1736. Waldegrave to Harrington,” National Archives Online Catalogue: SP 78: Secretaries of State: State Papers Foreign, France. Vol. 210: Earl Waldegrave, 1735 Oct-Dec Kew, UK: The National Archives of the UK, 2016.

following its inception.⁶⁴ This stratagem was subsequently taught to the Danish and Swedish East India Companies by members of the Ostend Company who worked alongside their aforementioned Scandinavian funders, further damaging Britain's interests in the Indian Ocean. The Company was so deleterious to British economic interests that one of the lead investors in the company, after fleeing Bengal due to fear of English reprisals, was likely killed by British agents in the region in 1745.⁶⁵ The Ostend Company ceased to function after 1745, as the majority of its investors had either integrated themselves into other companies or had been removed from the picture, forcefully or otherwise. The Ostend Company would eventually be replaced in Austria by its spiritual successor, the significantly less-successful Austrian East India Company, in 1775.

While it cannot be refuted that there was friction between the Austrian and British trading companies in the years leading to the Diplomatic Revolution, in what way did the lasting irritation of the Ostend Company impact relations between the Austrians and the British, and therefore the longevity or lack thereof of the Anglo-Austrian Alliance? It is difficult to state definitively.⁶⁶

However, there are a number of pieces of information that could shed light on the manner of the Ostend Company's role in the strained relationship between the two. An important factor to note in this situation is that, while the Austrian Emperor did not take steps towards re-instating the Ostend Company, believing the alliance with Britain to be more important throughout the 1730s

⁶⁴ Dreijer, 8.

⁶⁵ *Ibid*, 8.

⁶⁶ There are a number of reasons why this is the case. The main reason is the lack of primary source material available during the Covid-19 Pandemic. While there are a number of sources available in digital form, the lack of access to Columbia's in-person archives makes primary research difficult. Furthermore, traveling to Vienna to comb through the archives there is not possible because of traveling restrictions. Additionally, a lack of advanced knowledge of German prohibits me from properly analyzing what documents are/would be available in that language.

and 1740s, he took no definitive action to stamp out the remnants of the Company that was still nominally flying the Austrian and Dutch flags.⁶⁷ Additionally, it is known that the initial purpose of the Ostend Company's establishment was to create "an Imperial mercantile marine on the profits of Indian Commerce, which should form a counterpoise to the naval supremacy of the English and the Dutch" – an Austrian ambition that did not fade over the course of the 18th Century, evidenced by the establishment of the Ostend Company's successor enterprise, the Austrian East India Company, in 1775.⁶⁸ Given this later attempt to establish an Austrian trading company in the East Indies, combined with Charles VI and later Maria Theresa's lack of initiative in fighting the Ostend Company, it stands to reason that the British, watching their ally refusing to actively enforce a major stipulation of the Treaty of Vienna and recognizing that they still harbored ambitions in the Indian Ocean, began to look for more trustworthy partners whose mercantile interests did not collide with their own.

To summarize, the Ostend Company was founded in 1722 as an attempt by the Austrian Habsburg monarchy to gain access to the rich profits of the East Indies trade, namely in textiles and tea. Although a young trading company compared to its main rivals in the British East India Company and the Dutch East India Company, the Ostend venture quickly began to turn a profit, and began to encroach into the British monetary sphere. As such, the British began a concerted campaign so as to snuff out the Ostend Company in its infancy through a number of means in the Indian Ocean and Subcontinent. When this effort faltered and the Ostend Company continued to make increasing profits, the British turned to a more diplomatic approach, and the de-chartering

⁶⁷ Dreijer, 8.

⁶⁸ Correspondence of Emperor Charles VI, quoted in "The Conspiracy of the English East India Company against the Ostend Company in Bengal (1722-1727 A.D.)"

of the Ostend Company was a major stipulation of the 1731 Treaty of Vienna that cemented the Anglo-Austrian Alliance. However, despite the Ostend Company's effective disestablishment, the Company continued to be a thorn in the side of British merchants, utilizing a number of evasions so as to continue trading in the Indies. While it is uncertain as to the direct influence the Company had on the economic and diplomatic fracture between the Austrians and the British, specifically its continuing relevance in the East Indies as late as the 1740s, it is not unreasonable to assume that the continual threat posed by the Ostend Company and similar ventures was a source of consternation in the occasionally fraught Anglo-Austrian Alliance. It would be shortsighted to discount this as a point of friction between the Austrian and British governments.

Although the role of the Ostend Company, and the role of competing East Indies trade, is an important economic factor to consider, there is another major aspect that must be examined to fully explore the potential economic motivators that contributed to the Diplomatic Revolution of 1756. The Electorate of Hanover, a North German principality and a possession of the British Crown, served as a north star for British foreign policy during the reign of King George II. And while the political motivators stemming from George's birth and Britain's conflict with France are clear, Hanover's role as a developing North Sea trading hub, and the desire to protect the Electorate for economic reasons, need to be explored further.

Hanover: An Economic Union as well as a Personal Union?

In the waning months of 1714, the throne of Great Britain lay empty. The previous monarch, Queen Anne Stuart, had died with no direct heirs after seventeen pregnancies and seventeen miscarriages. Upon her death, a rancorous debate erupted in parliament – primarily divided along religious lines. One faction believed that Anne's closest living relatives, who were Catholics, should ascend the throne. The other looked to her continental, Protestant, relatives. Due

to the 1701 Act of Settlement, Catholics were prohibited from ascending to the British throne, and anyone who converted to Catholicism or married a Catholic would be removed from the line of succession. As such, Anne's immediate lineage was disqualified from inheriting her throne and Parliament turned, through a winding and convoluted line of succession, to the House of Hanover – a Protestant, German, noble family connected to the Stuarts through marriage.

For the next hundred and eighty-seven years, until the death of Queen Victoria, the monarchs of Britain would be of the House of Hanover. Given the circumstances of the union between Britain and Hanover, the first several of these rulers were Hanoverian by birth. The last of these monarchs born in Hanover itself was George II, who ruled from 1727 until 1760. His reign saw the War of Austrian Succession, the entirety of the Anglo-Austrian Alliance and its eventual collapse, and the Diplomatic Revolution. His rule also saw Hanover placed at the forefront of British foreign policy. This desire to protect Hanover at all costs was a primary rationale for allying with Austria in 1731, and for allying with Prussia in 1756 once the Anglo-Austrian alliance collapsed.

Most scholarship on the subject of Hanover and its role in British policy places the importance of the Electorate on King George's fondness for his place of birth. In this chapter of this thesis, I will explore the potential economic drivers that factored into this importance, the extent to which these drivers played a role in British policy towards Hanover during this period, and the extent to which these economic drivers and the resulting desire to protect Hanover impacted the British overtures to the Prussians in the months leading up to the Diplomatic Revolution.

Hanover, a North German principality, was elevated to the Imperial rank of Electorate in 1692, thrusting an otherwise unremarkable state into a position of continental prominence. The

Holy Roman Empire, the conglomeration of states that populated Central Europe following the breakdown of the Carolingian Empire in 888, crowned its Emperor via a system of Imperial Election. The Prince-Electors, commonly referred to as simply Electors, were a shifting group of prominent states within the Empire that were vested with special privileges and were integral to this system. The British union with Hanover following the death of Anne Stuart enabled the British to take a more active role in Holy Roman Politics, as exemplified by the Imperial Election Plan of the Duke of Newcastle, in an attempt to curry favor with the Austrians in 1749.⁶⁹ The Election Plan, devised by Newcastle as a means of shoring up the faltering relationship with Vienna in the wake of the War of Austrian Succession, was a series of negotiations carried out with the other Electorates of the Holy Roman Empire. Newcastle utilized jointly the influence granted to the British government as an Elector via Hanover, as well as British subsidies, to sway the other states of the Empire to crown the Habsburg heir King of the Romans, an honorary title naming him the legitimate successor to the Empire.⁷⁰ This move, taken in order to bolster the legitimacy and prestige of the Habsburgs and to cement the Anglo-Austrian Alliance, was somewhat successful, and a utilization of Hanover's Electoral position to benefit the political standing of Britain on the Continent.

As mentioned, Hanover's importance to the British monarchy went beyond its ability to influence German politics, as the first British monarchs of the House of Hanover were born on Hanoverian soil. Hanover therefore existed as a personal union, a union wherein two nations are ruled by the same monarch, while each maintains their own relative independence. George II's policy of protecting Hanover at all costs has been traditionally attributed to his love of his

⁶⁹ "The Duke of Newcastle and the Imperial Election Plan, 1749-1754," 28.

⁷⁰ *Ibid*, 30.

birthplace more so than any other factor.⁷¹ However, this thesis will examine the ways in which Hanover was integrated into the British economic sphere, and how this integration contributed to the desire to protect the Electorate, which in turn contributed to the Diplomatic Revolution.

Most of the current research on Hanover merely focuses its role as the lesser partner in a personal union with Britain. However, the research of historian Nicholas Harding suggests that there was greater economic integration between the two nations than has been previously examined. In Harding's estimation, there is evidence to suggest that Hanover was viewed by the British as a potential future investment in the North Sea trade. Hanover's position at the confluence of the Elbe and Weser rivers placed it at a veritable crossroads of North Atlantic trade routes, and would enable the British to expand their enterprise in the region – that is, if rural Hanover were properly developed.⁷² Additionally, Harding examines the privileges afforded to Hanover as a lesser partner in a personal union with Britain. The British were granted specific privileges in the Mediterranean, specifically with regards to the activities of North African pirating fleets, who singled out British ships as invalid targets, the result of a series of treaties signed in the early 18th Century. Hanover specifically was afforded the same rights based upon the same treaty, and the Barbary fleets of modern Morocco were instructed to allow Hanoverian ships to pass unmolested, a clear indicator of both the interwoven nature of the Hanoverian and British economies and of the potential importance of Hanoverian ships to the British.⁷³

Additionally, while definitive arguments have been made regarding the infeasibility of Hanover's integration into the British economy and the failure to develop the Electorate as a

⁷¹ Crucible of War, 126-127.

⁷² Harding, 29.

⁷³ *Ibid*, 33.

commercial hub, there is evidence of George's desire to build up the Hanoverian economy for eventual integration. Although the vast majority of efforts to expand the predominantly-agrarian economy of Hanover were unsuccessful, and while attempts to integrate the banking systems of the two states ended in failure, efforts persisted, spearheaded by George II.⁷⁴ Two such efforts, the first an attempt to expand the use of paper money so as to modernize the economy of the Electorate along English lines, and the second a similarly-minded effort to bring the agricultural production of Hanover – its main product of value during this period aside from linen exports – up to the standards of Britain, were both relative failures.⁷⁵ Furthermore, there is reason to believe that George II himself had substantial assets stashed in Hanover, upwards of three million pounds, accrued between 1727 and 1756, solidifying the linkage between his coffers and his desire to protect his birthplace from the ravages of the French and the Prussians.⁷⁶ Ultimately, it is difficult to make many definitive claims about the integration or lack thereof between the British and Hanoverian economies, as the majority of the documents that detailed this period of joint history between the two were destroyed alongside much of the Hanoverian Archives during the Second World War.⁷⁷

Despite the lack of official documentation, there is evidence to suggest a linkage between the British efforts in Hanover, and a monetary interest that went beyond potential economic development or King George's personal financial stake in the Electorate. A series of correspondences between William Stanhope, Earl of Harrington, and Claudius Rondeau, a British

⁷⁴ Uriel Dann, *Hanover and Great Britain, 1740-1760: Diplomacy and Survival*, (Leicester: Leicester University Press, 1991), 127.

⁷⁵ *Ibid*, 127-128.

⁷⁶ *Ibid*, 128-129

⁷⁷ *Ibid*, 130.

diplomat stationed in the court of Russia from 1730-1739, detail trade negotiations between the Russians and the British. The first of these documents states “Report of the Board of Trade relating to commerce in Russia received . . . observations on commerce between Great Britain and Russia . . . HM approves and commands you to try to accomplish the instructions therein. British privileges in trade by treaty most desirable, albeit advantages not purely commercial, must be accomplished.”⁷⁸ This communication on its own is of little interest. The document details the forging of a trade deal between the British and the Russians – nothing out of the ordinary. What is more interesting, however, is the location of Harrington during this correspondence: Hanover. Why would this document, a matter of trade between Russia and Britain, not be carried out at or delivered through the center of power in London? A number of related documents, all pertaining to Hanover, trade, and Russia – from the summer of 1732 – were written while Harrington was stationed in the Electorate. While not conclusive, these documents between two prominent British diplomats, centered around Harrington in the Electorate, seem to suggest a potential role of Hanover as a hub for trade with the Baltic and with Russia, or at the very least as a hub where such trade between the Russian and British Empires were negotiated.

This linkage between Russia, Hanover, and British involvement in the Baltic trade highlights the importance of the Electorate both as a potential Russo-British trading hub, and as a means to project British influence into Europe, both of which influenced the political-economic rationale of the Diplomatic Revolution. Britain during this period had a “virtual monopoly on

⁷⁸ “July 28, 1732. Harrington to Rondeau,” National Archives Online Catalogue: SP 91: Secretaries of State: State Papers Foreign, Russia. Vol. 13: Claudius Rondeau, 1732 Kew, UK: The National Archives of the UK, 2018.

Russia's foreign trade" and sought to expand their influence and monetary reach in the Baltic.⁷⁹ The Russian Tsarina, desiring to break free of this British stranglehold over their Baltic trade, began turning to the French as a trading partner. This competing trade between the British and the Russians, and between the Russians and the French, gave the French an inroad into a traditionally British sphere. This was deemed unacceptable by the British, who proceeded to interfere in the lucrative transactions between the two nations on the eve of the Diplomatic Revolution in 1756. Hanover, a fledgling port along the North Sea, might not have seemed a prime target for retaliation from the Russians, but was important enough for the Russians to cut off grain shipments to the Electorate in response to British interference.⁸⁰

Not only does this retaliatory action by the Russians serve to highlight the potential importance of Hanover in the interception of French Baltic trade, but it also demonstrates the role that trade played in the unfolding of the Diplomatic Revolution. The Russian effort to end grain shipments to Hanover, while not a conclusive indicator of its importance to British trade in the Baltic, raises questions of proportionality. If Hanover were not involved in the interference with the Russo-French trade or with the Russo-British trade, for what reason would Russia target the Electorate specifically? This question is complicated by Britain's dependence on Russia to fend off Prussian aggression.⁸¹ While it could be a proportional response based on Hanover's role in the interference in Russo-French trade, an equally likely proposition is that Russia was more capable of exerting pressure upon Hanover than upon Britain itself, and therefore the Tsarina chose

⁷⁹ D.B. Horn, *Sir Charles Hanbury Williams & European Diplomacy (1747-58)*, (London: G.G. Harrap & Company, 1930), 240.

⁸⁰ *Ibid*, 283-284.

⁸¹ *Ibid*, 182.

to press where her impact could be most felt. What is certain, however, is that Russia, up until this point seen as a reliable partner for British trade and interests in the Baltic and in Eastern Europe, shifted away from their traditional ally. With the breakdown of the Anglo-Austrian alliance and the formation of the Anglo-Prussian alliance, the Russians turned to the French as part of the Diplomatic Revolution. The timing of Russia's turn, coupled with tensions surrounding the Baltic trade and Hanover's involvement therein, cannot and should not be overlooked as a mercantile factor of the Diplomatic Revolution.

Regardless of its explicit or implied role in the Baltic trade with the rapidly-growing Russian Empire, Hanover played an important part in both the creation of the Anglo-Austrian Alliance, and in its eventual fracture and dissolution. Hanover was a major point of decision on the part of the British in entering into an alliance with the Prussians. The British overtures to Frederick the Great on the part of the British, a diplomatic move that in many ways signaled the rapidly-approaching demise of the Anglo-Austrian Alliance, were made with Hanover in mind.⁸² If, as posited by Harding, the economies and trading apparatuses of Hanover and Britain were more interlinked than previously thought, and if George II had personal financial stake in Hanover, the linkage between the economics of the Electorate and the British axis of the Diplomatic Revolution are clear.

To summarize, the Electorate of Hanover existed in a personal union, a system where two distinct nations were ruled by a single monarch, with Britain. While the majority of the research carried out on the Electorate's role in the Diplomatic Revolution and the conflicts of the 18th Century place it squarely within the confines of a political and diplomatic framework, there is evidence to suggest that money and trade impacted the British calculus with regards to the

⁸² Crucible of War, 128.

Electorate. During the early years of Britain's involvement with Hanover, the two existed in relatively separate economic arenas, namely because Hanover, despite its excellent position for trade in the North Sea, remained undeveloped. Early steps to integrate Hanover into the British sphere were taken during the 18th Century and it is not too outlandish to posit a long-term strategy of greater development and integration of Hanover, particularly given the sums of money stored there by George II and its potential role as a hub for interaction with Russia and the Baltic.

Conclusion

It is of course difficult to make statements regarding exact cause-and-effect with historical events, especially events that were the culmination of multiple different factors, like the Diplomatic Revolution. On the one hand, the political considerations must be taken into account. The Austrians, shaken and bruised following the territorial loss of Silesia and their Italian holdings – imposed upon them by the British as part of the Treaty of Aix-la-Chapelle – desired a return to their former glory and the reconquest of the Silesian heartlands seized by the upstart Prussians. To achieve this goal, they turned to the militarily-dominant French, who they believed would be more stalwart allies than the British. On the flipside, there are economic rationale that factored into this decision as well. The British revisited their subsidy policy following the disastrous performance of the Austrians and Russians during the War of Austrian Succession, and therefore placed a steady source of income for the Austrians in doubt. Vienna, fearing an inability to pay their military and fund the Barrier Treaty with the Dutch, began searching for new sources of subsidized, sustained wealth. Both of these assertions, one predominantly political, the other predominantly economic, are correct and each contributed to the Diplomatic Revolution.

In the case of the British, the same dichotomy arises. While much of the decision-making on the part of the British crown can be attributed to political machinations, it is equally possible to

posit that economic intrigues contributed to their decision-making. In the case of the Ostend Company, the economic rationale is clear in how the Company's influence contributed to the establishment and breakdown of the Anglo-Austrian alliance. Yet, looking at the way in which the British weaponized their financial powers, any consideration of their East Indies ventures must also involve Britain's political and military situation. Looking at the example of Hanover, while the political and the personal is the most obvious point of consideration, the potential for future investment and the sums of money George II kept safe in his Hanoverian estates speaks for itself.

As with all history in the relatively distant past, the question of relevance arises. Why do we, readers in the 21st Century, care about the Stately Quadrille or why the Anglo-Austrian Alliance fractured after decades of stability?

The Revolution directly contributed to the outbreak of the Seven Years' War (1754-1763) less than a year later.⁸³ The war, between the Quadrille blocs of European powers, was fought across five continents. It was both a struggle for colonial hegemony in the West Indies and the North American continent and for Prussia's survival amidst an Austria and Russia intent on crushing the rising German power. The Seven Years' War in turn had rippling effects that would impact centuries of subsequent history, from the British conquest of India, to the American and French Revolutions, and the rise of the eventual unified German nation in 1871.

The second importance of studying the Diplomatic Revolution can be considered a more forward-looking one. If current political and diplomatic trends continue, we are potentially entering into a bi-polar or multipolar world. Given the potential ramifications on the global

⁸³ It is worth noting that conflict in the North American theatre had been ongoing in a low-grade fashion for several years between Britain and France at the time of the Diplomatic Revolution, hence the listed 1754 start date for the war. However, the Diplomatic Revolution contributed to the opening of the European theatre of the war, which only occurred in 1756.

political stage, the topic of rapid and lasting diplomatic reversals spurred by great power politics is especially important to understand.

The main historical importance, however, that arises from this line of inquiry is the way in which money and politics were intertwined during the 18th Century. There are noticeable differences during this period between those who left this linkage by the wayside, or implemented policies that thoroughly bound the two, particularly between Continental Europe and Great Britain. The Continental monarchies, whose nobility was primarily concerned with military matters, tended to ignore financial questions that rose beyond their own personal wealth and that of their landed estates, and therefore did not utilize money as a political weapon as readily as the British. The willingness of the British nobility to tether themselves to matters of trade opened up new avenues for linkages between a nation's finances and its political machinations as a broker of conflict. The importance of the Diplomatic Revolution when examined through the direct impacts that income and trade played on decision-making, is clear. The ties between financial competition and cooperation between nations and the political landscape persist to this day, and their origins can be clearly traced back to this period of history.

This is not to say, of course, that the financial factors were the only important components that contributed to the breakdown of the Anglo-Austrian Alliance. As previously stated, there were other factors that have been more prominently explored in the historical canon that have left equal if not greater imprint upon this event in European history. However, while the Diplomatic Revolution, and the decades of resulting turmoil and bloodshed – from the Seven Years' War to the French, American, and Haitian Revolutions – was not inevitable, the financial factors without a doubt impacted and increased the likelihood of the Revolution and the resulting Seven Years' War.

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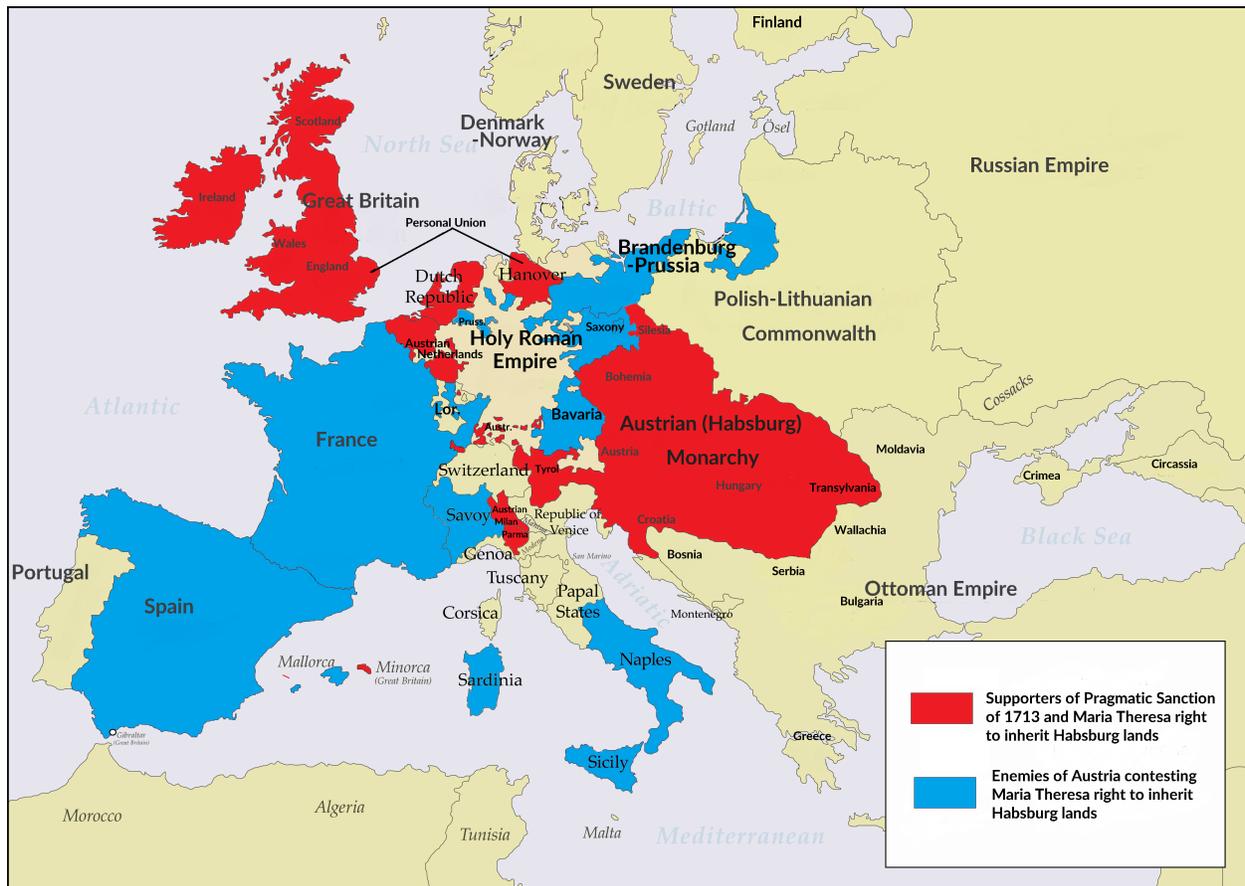
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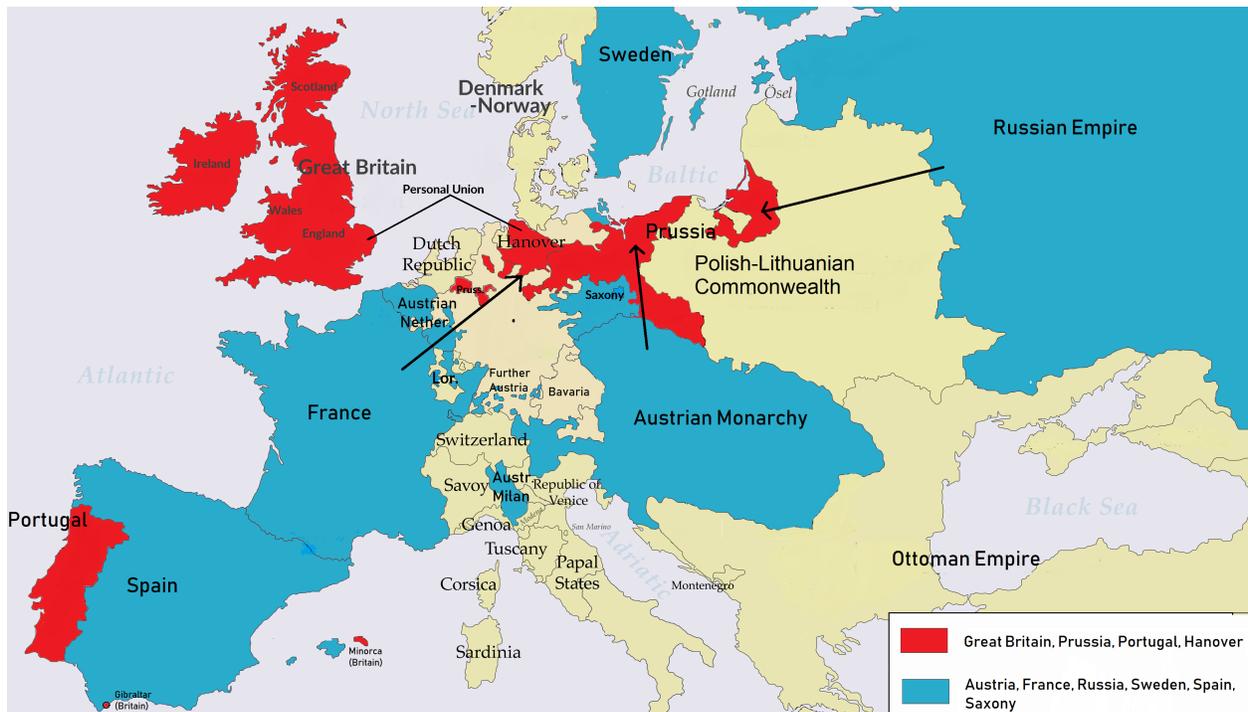
Appendix A: European Alliances Before and After the Diplomatic Revolution



A map illustrating the two main factions that took part in the War of Austrian Succession (1740-1748).⁸⁴

⁸⁴From “Map of Europe 1741 showing military alliances during opening phase of War of Austrian Succession”

https://www.reddit.com/r/europe/comments/cpc1hr/map_of_europe_1741_showing_military_alliances/



A map illustrating the dual axes of alliances established in the wake of the Diplomatic Revolution of 1756.⁸⁵

⁸⁵From “Alliances in Europe during Seven Years War 1756-1763”

https://www.reddit.com/r/europe/comments/ghlkys/alliances_in_europe_during_seven_years_war

Appendix B: Timeline of Important Events

- 1701-1714: The War of Spanish Succession (1701-1714) resulted in the establishment of the 1714 Barrier Treaty between the Austrians and the Dutch.
- 1701: The Act of Settlement is promulgated, forbidding non-Protestants from becoming British Monarch.
- 1713: The Pragmatic Sanction is promulgated, enabling Maria Theresa von Habsburg to succeed her father as Holy Roman Emperor.
- 1714: George I become King of Great Britain and Ireland, binding Britain and the Electorate of Hanover in a personal union.
- 1722: The Ostend Company is established, threatening British and French trade efforts in the East Indies.
- 1731: The Treaty of Vienna is signed, forming the Anglo-Austrian Alliance and nominally rendering the Ostend Company defunct.
- 1740-1748: The War of Austrian Succession is fought over Maria Theresa's right to the Austrian throne.
- 1748: The Rhine Campaign ends inconclusively when Russian auxiliaries, paid for by British subsidies, arrive at the front after the War of Austrian Succession had already ended.
- 1748: The Treaty of Aix-la-Chapelle is signed, fomenting dissatisfaction between the Austrians and the British, and sowing the seeds for later conflict between the Austrians and the Prussians.
- 1756: The Diplomatic Revolution occurs, ending the Anglo-Austrian Alliance.
- 1756-1763: The Seven Years' War is waged between the two blocs of powers established during the Diplomatic Revolution.