

## THE FAILURE OF SIR THOMAS JOHNSON

IN his valuable paper, "Sir Thomas Johnson: His Impecuniosity and Death", published in *TRANSACTIONS*, XC (1938), the late A. C. Wardle used the Liverpool Town Books and records at the Liverpool Customs House to investigate the bankruptcy of one of the founders of modern Liverpool. The writer did not, however, deal with Johnson's failure from the commercial point of view, beyond indicating that it was his inability to pay off his tobacco bonds that ruined him. A study of the conditions prevailing in the tobacco trade at the time shows that Johnson, in fact, only succumbed to the most intensive and, as it was later revealed, unfair competition from his rivals on the Clyde.

The Scots, who were already sending vessels direct to the English Plantations before 1707 in defiance of the Navigation Laws<sup>(1)</sup> sought to strengthen their transatlantic connexions after the Union when the colonial markets were open to them. They made particularly strenuous efforts to increase their share of this most lucrative traffic in the years immediately after 1718,<sup>(2)</sup> and enjoyed a large measure of success, particularly at the expense of those ports which lay on the west coast of England. In 1721 the leading tobacco planter in Virginia wrote of "a swarm of ships in all our rivers. It's impossible . . . they shall all find tobacco".<sup>(3)</sup> In the eager bidding that ensued, the Scots offered higher prices for their cargoes and, as a result, returned home fully laden, while the English ships came back half empty.<sup>(4)</sup> At the end of the year, the Customs officers at Liverpool reported that the tobacco trade "increases in North Britain and lessens very much at Leverpoole . . . it is near lost at Lancaster and Whitehaven . . . the Merchants of Leverpoole say they buy their Tobacco cheaper in Virginia than the Scotch do . . . the Scotch will give any Price almost to have Tobacco and the Leverpoole Ships many time come home half-freighted or less".<sup>(5)</sup>

Despite paying these higher prices to the planter, however, the Scots were able to undersell the English in the home market. At

<sup>(1)</sup> Theodora. Keith, "Scottish Trade with the Plantation before 1707", *Scottish Historical Review*, Vol. VI, pp. 32-48.

<sup>(2)</sup> *Journals of the House of Commons*, Vol. XX, p. 103, evidence of John Pratt, p. 104 evidence of Capt. John King, 24 January 1722/3. See also Jacob M. Price, "The rise of Glasgow in the Chesapeake Tobacco Trade, 1770-1775," *William and Mary Quarterly*, Vol. XI (3rd series), No. 2, April 1954, p. 180.

<sup>(3)</sup> Arthur Pierce Middleton, "The Chesapeake Convoy System", *William and Mary Quarterly*, 3rd ser., Vol. III, p. 191.

<sup>(4)</sup> *Journals of the House of Commons*, Vol. XX, p. 102, evidence of Micajah Perry, p. 103, evidence of Abraham Barnes, John Pratt and Henry Powers, 24 January 1722/3.

<sup>(5)</sup> *Ibid.*, p. 108.

Preston, Manchester and in many parts of Yorkshire, for instance, they were able to undercut the Liverpool suppliers.<sup>(6)</sup> Tobacco merchants in other parts of the country had the same story to tell. From Whitehaven, Lancaster, Bristol, Bideford and London, as well as from Liverpool, petitions were sent to the House of Commons complaining that they were being ruined.<sup>(7)</sup> They alleged that the Scots were only able to pay such high prices in America and sell so cheaply in England because it was easier in Scotland to evade payment of duty, then more than twice the prime cost of the commodity. A preliminary enquiry in the summer of 1722 showed that these accusations were well-founded: the Scots, with the connivance of the lower ranks of the Customs service, were under-weighting incoming hogsheads and overweighing those which were re-exported.<sup>(8)</sup> A General Survey, undertaken in 1723, revealed the full extent of these tobacco frauds.<sup>(9)</sup>

This Scottish competition obviously has some bearing upon Sir Thomas Johnson's failure. Wardle pointed out that already by January 1719 (?1719/20) Johnson was in London seeking to raise money to pay off his tobacco bonds "for long due".<sup>(10)</sup> There is evidence that he, like so many others, had been speculating wildly: and in 1720 the Bubble burst. But if his own rashness played a part, possibly the greater part, in bringing about his downfall some time before the middle of 1722, other circumstances over which he had no control also conspired against him.

T. C. BARKER.

<sup>(6)</sup> *Ibid.*

<sup>(7)</sup> *Ibid.*, Vol. XIX, pp. 674, 710, Vol. XX, pp. 63-4, 27 November 1721, 13 January 1721/2, 27 November 1722.

<sup>(8)</sup> *Ibid.*, Vol. XX, pp. 105-7, Report of Humphrey Brent. For the Scots' reply to these charges, see B. M. 816m. 14/16 *Answers by the Merchants of Glasgow to the Report of Humphrey Brent, Esq.*

<sup>(9)</sup> P.R.O., Treasury Papers, T1/250/9.

<sup>(10)</sup> Wardle, *op. cit.*, p. 182.