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THE DARIEN SCHEME

James Nason

English Miles

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Sources

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The Background and Motivation

In the late 17th century, Scotland was a separate kingdom from England, with its own Parliament and distinct economic interests. However, Scotland's economy was significantly weaker than England's, and it struggled to compete in the burgeoning global trade. English trading companies, like the East India Company, held monopolies that excluded Scottish merchants.

Driven by a desire for economic prosperity and a sense of national pride, Scotland sought to establish its own overseas trading colony. The idea was to create a strategic trading post that could connect the Atlantic and Pacific Oceans, bypassing the long and dangerous route around Cape Horn. This would allow Scottish merchants to tap into the lucrative trade between Europe and Asia.

The chosen location for this ambitious venture was Darien, a region on the Isthmus of Panama. This area was considered strategically vital for its potential to provide a land bridge between the two oceans. The Scottish promoters of the scheme envisioned establishing a colony named Caledonia that would become a global trading hub, bringing wealth and prestige to Scotland.



A New Map of the Isthmus of Darien in America, The Bay of Panama, The Gulph of Vallona or St. Michael, with its Islands and Countries Adjacent, 1699.

Key motivations behind the Darien Scheme included:

- **Economic Advancement:** To break free from English economic dominance and establish Scotland as a major trading power.
- **National Pride and Ambition:** To emulate the colonial successes of other European nations and assert Scotland's place on the world stage.
- **Strategic Location:** The perceived potential of Darien as a crucial link between the Atlantic and Pacific trade routes.
- **Investment Opportunities:** To provide a profitable outlet for Scottish capital.

The Planning and Organisation



The driving force behind the Darien Scheme was a visionary but somewhat controversial figure: **William Paterson**, a Scottish merchant and financier who was also instrumental in the founding of the Bank of England. Paterson believed passionately in Scotland's potential for global trade and championed the idea of the Darien colony.

In 1695, the Company of Scotland Trading to Africa and the Indies was established by an Act of the Scottish Parliament. This company was granted extensive powers, including the right to raise capital, build and arm ships, establish colonies, and engage in trade in Africa and the Indies (which, at the time, broadly referred to Asia and the Americas). Crucially, this act was passed despite strong opposition from the English government and English trading interests, who saw it as a direct threat to their monopolies.

Financing the Scheme:

Raising capital for the Darien Scheme became a national endeavour in Scotland. Driven by patriotic fervour and the promise of great returns, people from all levels of Scottish society invested heavily in the **Company of Scotland**. This included wealthy landowners, merchants, tradesmen, and even ordinary citizens who contributed their savings. It's estimated that a significant portion of Scotland's liquid assets was poured into the Darien venture, highlighting the immense national commitment to the project.



The Darien Expedition:

The first Scottish expedition to Darien set sail from Leith in July 1698, consisting of five ships – the Caledonia, St. Andrew, Unicorn, Dolphin, and Endeavour – carrying around 1,200 people. These included prospective colonists, traders, soldiers, and their families. The journey was long and arduous, and the settlers arrived in Darien in November 1698, establishing their settlement at a place they named New Edinburgh.

Challenges from the Outset:

Even in the planning stages, the Darien Scheme faced significant challenges:

- **English Opposition:** The English government, under King William III (who was also King of Scotland), was wary of antagonising Spain, which claimed sovereignty over

the Darien region. English investors were discouraged from participating, and English colonies in the Americas were instructed not to provide assistance.

- **Lack of Experience:** Scotland had limited experience in establishing and managing overseas colonies compared to England, Spain, or the Netherlands.
- **Unrealistic Expectations:** The promoters of the scheme may have underestimated the difficulties of establishing a successful trading colony in a tropical and often hostile environment.

Despite these challenges, the initial enthusiasm in Scotland for the Darien Scheme was immense. The departure of the first fleet was met with national celebration and high hopes for Scotland's future.



The Colonisation Attempts

The first Scottish settlers arrived in Darien in November 1698 and established their colony, New Edinburgh. They set about building a fort, which they named Fort St. Andrew, and attempted to establish trade relations with the indigenous peoples of the region.

However, the colonists faced a multitude of severe challenges almost immediately:

- **Harsh Environment:** Darien was a tropical region with a hot and humid climate, heavy rainfall, and dense jungle. The European settlers were ill-prepared for these conditions, and many succumbed to tropical diseases such as malaria and yellow fever.
- **Disease:** As mentioned, disease quickly became rampant within the colony, decimating the population. Poor sanitation and a lack of medical knowledge exacerbated the problem.
- **Lack of Supplies:** The initial expeditions were inadequately supplied with food, medicine, and other essential provisions. Attempts to cultivate food in the unfamiliar environment proved difficult.
- **Hostile Indigenous Peoples:** While initial interactions were sometimes friendly, tensions soon arose with some of the indigenous groups, either due to misunderstandings, competition for resources, or the colonists' attempts to assert control over the land.
- **Spanish Opposition:** As the Spanish Empire claimed sovereignty over the Isthmus of Panama, they viewed the Scottish settlement as an illegal encroachment on their territory. Spanish forces were mobilised to oppose the Scots.
- **Lack of English Support:** Despite the Act of the Scottish Parliament, the English government remained hostile to the Darien Scheme. English colonies in the Caribbean and North America were instructed not to provide aid or trade with the Scottish settlers, further isolating them.

The first colony at New Edinburgh was abandoned after only about eight months, in June 1699, due to the high death toll and the unsustainable conditions. The survivors, numbering only a few hundred, returned to Scotland, bringing news of the disaster.

Despite this initial failure, the patriotic fervour in Scotland remained strong, and a second expedition of around 1,300 people set sail for Darien in late 1699. They arrived to find the remnants of the first colony and attempted to re-establish it. However, they too faced the same insurmountable challenges: disease, lack of supplies, and Spanish hostility.

The Spanish forces eventually launched a significant military assault on the second Scottish colony. After a brief siege, the remaining Scots were forced to surrender in March 1700. The survivors either died in captivity or eventually made their way back to Scotland, utterly defeated.

The colonisation attempts in Darien were a catastrophic failure, resulting in a significant loss of life and the ruin of many Scottish investors.

The Reasons for Failure

The collapse of this ambitious undertaking was due to a confluence of factors, both environmental and political:

- **Environmental and Logistical Challenges:** As previously discussed, the harsh tropical environment of Darien proved incredibly difficult for the European settlers. Disease, particularly malaria and yellow fever, decimated the population. Poor planning and inadequate supplies of food, medicine, and tools further exacerbated these issues. The colonists lacked the necessary knowledge and experience to thrive in this unfamiliar climate.
- **Spanish Opposition:** The fact that Spain claimed sovereignty over the Darien region was a critical obstacle. The Spanish viewed the Scottish settlement as an illegal intrusion and were determined to expel them. Their military actions against the second colony proved decisive. The lack of any real attempt by the Scots to negotiate or gain acceptance from the Spanish was a major oversight.
- **Lack of English Support (and Active Opposition):** The hostility of the English government was a significant blow. King William III, who was also the monarch of Scotland, prioritised English interests and was wary of provoking Spain, with whom England had complex diplomatic relations. English colonies in the Americas were forbidden from trading with or assisting the Scots, effectively isolating the Darien venture. This lack of support undermined the entire premise of the scheme, which relied on trade and resupply.
- **Poor Planning and Leadership:** While William Paterson was a visionary, the practical planning and execution of the Darien Scheme were flawed. There was a lack of clear leadership on the ground, and decisions were often poorly made. The choice of location, while strategically appealing on paper, proved to be environmentally disastrous.
- **Financial Strain on Scotland:** The sheer amount of capital invested in the Darien Scheme placed a massive strain on the relatively small Scottish economy. The failure of the colony resulted in widespread financial ruin for many investors, from the wealthy elite to ordinary citizens. This economic shock had a profound impact on Scotland.
- **Failure to Establish Profitable Trade:** The fundamental aim of the colony was to become a successful trading hub. However, the Scottish settlers struggled to establish viable trade routes or find valuable commodities to exchange. The anticipated flow of goods between the Atlantic and Pacific simply did not materialise.

In essence, the Darien Scheme was a victim of unrealistic expectations, poor planning, a hostile environment, powerful opposition, and a lack of crucial support. These factors combined to create a perfect storm that led to its complete and tragic failure.

The Consequences

- **Economic Ruin:** The most immediate and devastating consequence was the widespread financial ruin across Scotland. A significant portion of the nation's liquid capital had been invested in the Company of Scotland and the Darien expeditions. The loss of this investment crippled the Scottish economy and left many individuals and families bankrupt. This economic shock weakened Scotland considerably.
- **Political Impact and the Act of Union:** The financial disaster of the Darien Scheme is widely considered to have been a major contributing factor to the Acts of Union 1707, which united the kingdoms of Scotland and England to form Great Britain. The Scottish Parliament, facing economic collapse and seeking access to English markets and protection, was ultimately persuaded to agree to the union. While other factors were also at play, the Darien Scheme's failure significantly weakened Scotland's bargaining position and increased the perceived necessity of union for economic survival.
- **National Humiliation and Disillusionment:** The failure of the Darien Scheme was a source of deep national humiliation and disillusionment in Scotland. The high hopes and patriotic fervour that had initially fuelled the venture turned into despair and anger. The perceived lack of support from England further fuelled resentment and a sense of betrayal among many Scots.
- **Lessons Learned (albeit at a high cost):** While a catastrophe, the Darien Scheme did provide some harsh lessons for Scotland regarding colonial ventures, financial planning, and the complexities of international politics. It highlighted the need for greater experience, resources, and diplomatic understanding when undertaking such ambitious projects.
- **Enduring Symbol of Scottish Ambition and Tragedy:** The Darien Scheme remains a powerful and often tragic symbol in Scottish history. It represents the nation's aspirations for independent economic prosperity and its vulnerability in the face of larger powers and unforeseen circumstances. The story continues to be told and debated, embodying both the ambition and the heartbreak of a pivotal period in Scottish history.



In essence, the Darien Scheme was a pivotal event that had significant economic, political, and social consequences for Scotland, ultimately playing a key role in the lead-up to the Union with England.

Myths and Misconceptions

Over time, certain narratives and misunderstandings have emerged about this historical event.

Myth: The Darien Scheme failed solely due to the climate and disease.

Reality: While the harsh tropical environment and rampant disease were significant contributing factors, they were not the only reasons for the failure. Spanish opposition, the lack of English support (and at times, active obstruction), poor planning, and inadequate supplies all played crucial roles in the disaster. Focusing solely on the environmental aspects overlooks the significant political and logistical failings.

Myth: William Paterson was solely to blame for the scheme's failure.

Reality: While Paterson was the key proponent and played a significant role in the planning, the Darien Scheme was a national undertaking supported by the Scottish Parliament and heavily invested in by a wide range of Scottish people. Attributing the entire failure to one individual oversimplifies a complex situation involving national ambition, economic pressures, and international politics.

Myth: The Scots were completely naive and had no understanding of colonial ventures.

Reality: While Scotland lacked the extensive colonial experience of England or Spain, Scottish merchants and individuals were involved in various forms of trade and overseas ventures. However, the scale and ambition of the Darien Scheme, coupled with the specific challenges of the location and the political climate, proved to be beyond their capabilities at the time. It wasn't necessarily a complete lack of understanding, but rather an underestimation of the immense difficulties involved.

Myth: The failure of the Darien Scheme directly and immediately led to the Act of Union.

Reality: While the economic devastation caused by the Darien Scheme significantly weakened Scotland's financial position and made the prospect of union with England more appealing to some, the Act of Union was a complex political process driven by multiple factors on both sides of the border. The Darien disaster certainly created a strong economic argument for union in Scotland, but political considerations regarding succession, security, and trade also played significant roles.

These are just a few of the common myths and misconceptions that have grown up around the Darien Scheme. Understanding the nuances of the historical context and the various contributing factors is crucial to gaining a more accurate picture of this pivotal event in Scottish history.