



PROJECT MUSE®

'The laberinth of thir difficulties': the Influence of Debt
on the Highland Elite c.1550 -- 1700

Douglas Watt

The Scottish Historical Review, Volume 85, Number 1: No. 219, April
2006, pp. 28-51 (Article)

Published by Edinburgh University Press

DOI: <https://doi.org/10.1353/shr.2006.0029>



➔ *For additional information about this article*

<https://muse.jhu.edu/article/199879>

DOUGLAS WATT

‘The laberinth of thir difficulties’: the Influence of Debt on the Highland Elite c.1550 – 1700

Abstract

In the inflationary economic conditions of the late sixteenth and early seventeenth centuries Highland chiefs borrowed extensively. Indebtedness was caused by increasing expenditure in response to the rising authority of the state, which included an active engagement with the central courts and the employment of the legal profession; conspicuous consumption, absenteeism following the regal union of 1603 and a relatively plentiful supply of credit occasioned by the growth of the debt market. Indebtedness was primarily the result of high levels of expenditure rather than deficiency of income. The Highland economy was devastated during the Civil War period and there is extensive evidence of severe financial distress among the Highland elite in the later seventeenth century. This was caused by the significant build up of debts from the later sixteenth century, the collapse of incomes during the mid-century political crisis and the deflationary economic environment of the period from 1650 to 1670. During the Restoration there was a fundamental shift in the nature and structure of clanship from traditionalism to commercialism. The intensity of transition was focused on the thirty or forty years following the mid-century as chiefs were faced with a debt deflation which led to a decline in their position politically, financially, socially and culturally. Many lost control of their estates to commissions. Some responded by raising rents or more intensive engagement with droving, colonisation, extractive industries and merchant networks. Others became backward looking, insecure, impoverished and melancholic. The financial crisis precipitated by the combination of indebtedness and deflation was therefore a pivotal aspect of the process by which Highland chiefs adopted the values of landlords.

The accumulation of debt by highland chiefs in the seventeenth century has been commented on by a number of historians.¹ This article traces

¹ F. J. Shaw, *The Northern and Western Islands of Scotland: Their Economy and Society in the Seventeenth Century* (Edinburgh, 1980), 43–5, D. Stevenson, *Alasdair MacColla and the Highland Problem in the Seventeenth Century* (Edinburgh, 1980), 281, A. I. Macinnes, *Clanship, Commerce and the House of Stuart, 1603–1788*, (East Linton, 1996), 114, 126–8, A. I. Macinnes, ‘Repression and Conciliation: The Highland Dimension 1660–1688’, *SHR* 55 (1986) 176, 186–7, and A. I. Macinnes, ‘The Impact of the Civil Wars and Interregnum: Political Disruption and Social Change within Scottish Gaelicdom’, in R. Mitchison and P. Roebuck (eds), *Economy and Society in Scotland and Ireland 1500–1939*

DOUGLAS WATT is postdoctoral research fellow in Scottish History at the University of Edinburgh

rising indebtedness over the longer period from c.1550 to 1700, examines its causes and effects, and argues that the response to high levels of debt was central to the process by which chiefs were transformed into landlords. There has been disagreement over the nature of this change: Macinnes has argued that the shift from claniship to commercial landlordism was marked by a series of 'convulsions'² while Dodgshon believes it was 'a gradual affair rather than something that happened dramatically or suddenly'.³

The lending and borrowing of money became easier after the Reformation in Scotland and this was reflected in laws relaxing the prohibition on usury and improving the rights of creditors.⁴ A 'culture of credit' developed from the mid-sixteenth century, as was the case in England,⁵ and research on the Grandtully estates in Perthshire and the Panmure estates in Forfarshire has highlighted the importance of credit networks among the tenants in the seventeenth century.⁶ Testaments reveal that some highland chiefs were accumulating debts in the period from c1550 to 1600: John earl of Atholl died in 1579 with debts of £2,300 13s 4d (7.2% of assets), Colin Campbell of Glenorchy in 1583 with debts of £941 13s 4d (19.9% of assets), John Grant of Freuchy in 1585 with debts of £621 6s 8d (1.3% of assets) and Sir James Campbell of Ardkinglass in 1590 with debts of £2,136 13s 4d (36% of assets).⁷ Assets are calculated by adding the inventory of the deceased's possessions to the debts owed to the deceased and so the percentage of assets can be viewed as a relative measure of indebtedness. Debt was being accumulated by some chiefs in the later sixteenth century but the levels noted here are unlikely to have caused any significant financial problems. Stone suggests that an annual burden of interest above a third of net disposable income could cause

¹ (Continued) (Edinburgh, 1988). For the debts of the Scottish nobility as a whole see K. M. Brown, *Noble Society in Scotland: Wealth, Family and Culture, from Reformation to Revolution* (Edinburgh, 2000), 92-109. K. M. Brown, 'Noble Indebtedness in Scotland between the Reformation and the Revolution', *Bulletin of the Institute of Historical Research*, 62 (1989) 260-75, and K. M. Brown, 'Aristocratic Finances and the Origins of the Scottish Revolution', *English Historical Review* 104 (1989) 46-87.

² These were caused by military action by the government on the western seaboard in the early seventeenth century, the civil wars, reconstruction during the Restoration, the Jacobite rebellions and repression in the aftermath of Culloden. A. I. Macinnes, 'Scottish Gaeldom from claniship to commercial landlordism, c.1600-c.1850' in S. Foster, A. Macinnes and R. MacInnes (eds), *Scottish Power Centres from the Early Middle Ages to the Twentieth Century* (Glasgow, 1998), 184. A. I. Macinnes, *Claniship, Commerce and the House of Stuart, 1603-1788* (East Linton, 1996), ix-x, 210.

³ R. A. Dodgshon, *From Chiefs to Landlords: Social and Economic Change in the Western Highlands and Islands, c.1493-1820* (Edinburgh, 1998), 102.

⁴ Brown, 'Noble Indebtedness', 263.

⁵ C. Muldrew, *The Economy of Obligation: The Culture of Credit and Social Relations in Early Modern England* (Basingstoke, 1998), 3.

⁶ L. A. Ewan, 'Debt and Credit in Early Modern Scotland: The Grandtully Estates 1650-1765', unpublished Ph.D. Thesis (University of Edinburgh, 1988); I. D. Whyte and K. A. Whyte, 'Debt and Credit, Poverty and Prosperity in a Seventeenth-Century Scottish Rural Community' in R. Mitchison and P. Roebuck (eds), *Economy and Society in Scotland and Ireland 1500-1939* (Edinburgh, 1988), 70-80.

⁷ Edinburgh, National Archives of Scotland [NAS], Commissary Court Records, CC 8/8/8, fo. 247-52, CC 8/8/13, fo. 133-8, CC 8/8/17, fo. 77-82, CC 8/8/22, fo. 359-63.

financial difficulties.⁸ It is not possible to establish net disposable income for chiefs at this time because of a lack of source material and so we must rely on other evidence to establish if they were experiencing problems from the level of their debts.

A contract of 30 October 1554 between John Grant of Freuchy and Christian Barclay, relict of James Grant of Freuchy, stated that 'the dettis of the said umquhyll James exceid his guddis in greit sowmes'.⁹ In the 1560s the earldom of Caithness was experiencing financial difficulties: 'their hous is overburdened and overwhelmed with debts; wherby yow sie at this day the house and the earldom of Catteynes weill neir ane utter ruyne'.¹⁰ When Colin Campbell of Craignish borrowed 8,000 merks from Duncan Campbell of Glenorchy in 1584, the bond referred to his poor financial state and that the money had been borrowed to relieve him from his creditors.¹¹ John Campbell of Lundie experienced acute financial problems failing to pay feu-fermes and other duties, and as a result, in 1576, some of his lands were granted to Thomas Lyon, Master of Glamis.¹² Rose of Kilravock also faced problems caused by indebtedness; Katherine Falconer, his wife, was 'verie assisting to her husband, particularly in paying the debt and burden upon his fortune, which....extended, the tyme of their mariage, to the value of the halfe of their estate'.¹³

Some highland chiefs were therefore accumulating substantial levels of debt in the later sixteenth century and some were experiencing financial distress caused by these debts. All the evidence relates to mainland chiefs; none has been found to indicate whether island chiefs or those on the western seaboard were borrowing in the late sixteenth century. Nevertheless, chiefs on the mainland and eastern highlands were more engaged with the market economy, had closer links with lowland society and easier access to credit.

Further evidence from testaments indicates that by the early seventeenth century some chiefs had accumulated high levels of debt. Hector Munro of Foulis died in 1603 with debts of £6,789 13s 4d; an amount which exceeded the assets listed in his testament.¹⁴ Lachlan Macintosh of Dunnachton died in 1606 with debts of £14,447 13s 4d, including £4,221 owed to Edinburgh merchants and writers. This sum was greatly in excess of his assets of £8,022.¹⁵ Sir Roderick MacKenzie of Coigach, the Tutor of Kintail, had debts of £38,000 listed in his

⁸ L. Stone, *The Crisis of the Aristocracy, 1558-1641* (Oxford, 1965), 540.

⁹ W. Fraser (ed.), *The Chiefs of Grant*, 3 vols (Edinburgh, 1883), iii, 113-14.

¹⁰ Sir Robert Gordon, *A Genealogical History of the Earldom of Sutherland* (Edinburgh, 1813), 149.

¹¹ Henry Paton (ed.), *The Clan Campbell: abstracts from the Campbell collections formed by Duncan Campbell*, 8 vols (Edinburgh, 1913-1922), vi, 46.

¹² E. J. Cowan, 'The Angus Campbells and the Origin of the Campbell-Ogilvie Feud', *Scottish Studies* 25 (1981) 32.

¹³ *A Genealogical Deduction of the Family of Rose of Kilravock*, Spalding Club, (Aberdeen, 1848), 74.

¹⁴ NAS, CC 8/8/41, fo. 1-5.

¹⁵ NAS, CC 8/8/43, fo. 179-81.

latterwill of 1626¹⁶ and Sir Duncan Campbell of Glenorchy died in 1631 with debts of £33,061 (90% of assets).¹⁷

Highland earls were experiencing financial difficulties caused by excessive indebtedness in the early seventeenth century. According to Sir John Scot of Scotstarvet the very large debts accumulated by the seventh earl of Argyll were a major factor in his departure from Scotland: 'for there was so great burden of debt upon the same, that it behoved his son, the late earl, to leave the country, not being able to give satisfaction to his creditors'.¹⁸ His Campbell kinsmen, many of whom had acted as cautioners, were left to come to an accommodation with creditors.¹⁹ Colin Campbell of Lundy, the seventh earl's brother, lamented on the state of Campbell finances at the time:

I beleve thair be nocht ane mair miserable surname in Scotland and of thair rank nor they ar, I mein be thame that speiks the Erisch language for ye know yourself thair is nocht tua of his surname bot it is anewgh to the half of thair rent to pay thair annual. Sua his poore friendis estait is mair miserable to the regaird ane hundredfold nor his awin²⁰

The earldom of Atholl also faced financial problems. James Fraser described the situation in 1617: 'the debts vast...this great estate is low and declining every day'.²¹ When John earl of Sutherland died in 1615 he 'left his house overburdened with debt'²² and according to James Gordon, the second marquis of Huntly had accumulated debts of £1,200,000 by 1638.²³ By the early seventeenth century all the most powerful chiefs in the highlands were experiencing financial difficulties caused by indebtedness.

Island chiefs were beginning to have financial problems related to debt at this time. On 26 October 1605 MacLean of Duart was ordered by the Privy Council to pay the King's rents by selling the produce of his lands, and it was declared that they were 'not to be arreistable by any of his creditors'.²⁴ By 1622 MacLean's debts were still causing him trouble: 'Hector McClane of Dowart...being put at as weill for his Majesteis dewteis as for debts to his creditors quhairby his house wes lyke to be ruined'.²⁵ In a letter from Glasgow of 31 August 1622, Sir Rory MacLeod

¹⁶ NAS, Cromarty Muniments, GD 305/1/167/8.

¹⁷ NAS, Breadalbane Muniments, GD 112/1/488.

¹⁸ Sir John Scot of Scotstarvet, *The Staggering State of Scottish Statesmen*, ed. C. Rogers, Grampian Club (Aberdeen, 1872), 40.

¹⁹ J. R. N. Macphail (ed.), *Highland Papers*, Scottish History Society, 4 vols (Edinburgh, 1914-34), iii, 227-8, 229-31, 252, 305-6, and E. J. Cowan, 'Fishers in Drumlie Waters, Clanship and Campbell Expansion at the Time of Gilleasbuig Gruamach', *Transactions of the Gaelic Society of Inverness* 54 (1984-6) 278-9.

²⁰ NAS, GD 112/39/40/29.

²¹ W. Mackay (ed.), *The Wardlaw Manuscript: Chronicles of the Frasers, 916-1674*, Scottish History Society (Edinburgh, 1905) [*Chron. Frasers*], 243-44.

²² Gordon, *Earldom of Sutherland*, 313.

²³ James Gordon, *History of Scots Affairs from 1637-1641*, 3 vols, Spalding Club (Aberdeen, 1841), i, 49.

²⁴ *Register of Privy Council [RPC]*, first, vii, 141.

²⁵ *Collectanea de Rebus Albanicis*, ed. W. F. Skene, Iona Club (1847), 151.

of Dunvegan complained to James VI about the cost of his annual trips to the Privy Council in Edinburgh and begged the King for a warrant to remain at home in Skye for seven years, 'within the quilk tyme I sall be godis grace decoir my housses and plant yairdis and archardis and diffray my debtis and pay my creditouris'.²⁶ In the same letter he pleaded that the repayment of the extensive debts of his son-in-law, the Captain of Clanranald, might be postponed for five or seven years and declared that 'be godis grace he will satisfie all men befor that tyme expyre'.²⁷

Other highland chiefs who had accumulated significant debts by the early seventeenth century included Sir John Campbell of Cawdor who, on 9 December 1617, commissioned his legal agent, the advocate Mr John Rollock, to sell some of his valuables in order to reduce his debts. It was stated that 'the burding of the Laird of Calderis obligatione debt is ane hundreth thousand merkis or therby'. Cawdor was so indebted that he was forced to call a meeting of kinsmen and friends at Dunblane in order to agree on a plan for debt reduction. The minutes of this meeting state that 'the foirsaidis debtis is metest onlie to be releivit be selling and wedsett, and in continuacione upon annual rent'. A major restructuring of Cawdor's assets was instituted including sales of land and mortgaging property. Chamberlains were appointed for the administration of the estates and auditors to oversee the financial aspects of the process. Mr John Rollock, Cawdor's legal agent, was appointed as one of the auditors and Rollock seems to have been the driving force behind much of the debt restructuring.²⁸

Kenneth, Lord MacKenzie of Kintail died in 1611 with his estates heavily burdened with debt²⁹ and Simon Fraser, Lord Lovat died in 1633 leaving his son Lord Hugh 'under insuperable debt'.³⁰ Ross of Balnagown faced severe problems caused by indebtedness in the early seventeenth century: 'the hous of Balnagoun, the esteat qrof hes bene this long tyme bygone so pitifull and deplorable to all qa loves or affects the standing yrof'.³¹ In 1634 Sir Colin Campbell of Glenorchy gave 8,000 merks to Lord Lorne who was 'in great debt and desyring the said Sir Colin his help to releive his lordschip of the same'.³² Sir Lachlan Macintosh of Dunnachton had accumulated debts of more than £30,000 by the time of his death in 1622 while in 1633 John MacDonald of Moidart, the Captain of Clanranald, owed in excess of £21,000 and by 1637 Donald Mackay, first Lord Reay, had accumulated very large debts of £102,912.³³

²⁶ Edinburgh, National Library of Scotland [NLS], MS 2133, fo. 114.

²⁷ *Ibid.*, fo. 114-5.

²⁸ C. Innes (ed.), *The Book of the Thaness of Cawdor, 1236-1742*, Spalding Club (Aberdeen, 1859), 241-2, 254-5.

²⁹ A. MacKenzie, *History of the MacKenzies* (Inverness, 1894), 235.

³⁰ *Chron. Frasers*, 267.

³¹ W. MacGill (ed.), *Old Ross-shire and Scotland* (Inverness, 1909), supplementary volume, 7-8.

³² C. Innes (ed.), *The Black Book of Taymouth*, Bannatyne Club (Edinburgh, 1855), 77.

³³ Macinnes, *Clanship*, 74, 82, 127.

A closer analysis of the evidence from testaments supports the thesis that the level of indebtedness was increasing amongst the highland elite in the period from the late sixteenth to the early seventeenth century. A selection of testaments has been examined in detail for the period from 1570 to 1610.³⁴ This selection is biased in favour of chiefs from the eastern highlands and Campbell kindreds reflecting the fact that these individuals were more likely to register testaments in Edinburgh because of their greater level of engagement with central government and lowland society. The testaments show that the average amount of debt between the years 1570 and 1589 was £819, while the average between 1590 and 1609 was £2,765. Debt as a percentage of assets increased from 18.3% between 1570 and 1589 to 39.4% between 1590 and 1609.³⁵ Absolute and relative levels of indebtedness were therefore increasing in the period from 1570 to 1610. These figures correspond closely to ones produced by Brown in his study of the debts of the Scottish nobility as a whole.³⁶ The testaments of highland chiefs indicate that their borrowing habits were not out of line with the rest of the Scottish nobility during these years and the evidence surveyed above indicates that a large number of chiefs were already in financial distress by the early seventeenth century.

Why were highland chiefs accumulating debt during this period? Was debt being used to cover deficiencies in income, or was it funding higher expenditure? Establishing income trends for individual chiefs from the later sixteenth century is difficult because of lack of evidence. Rentals survive for a few chiefs but these are intermittent and not sufficiently comprehensive to provide total income levels for chiefs in the period from 1550 to 1650.³⁷ The picture is complicated by inflation and the purchase of more land by certain chiefs, such as the Campbells of Glenorchy. However, it is possible to point to general trends. The inflationary price revolution produced a six-fold increase in grain prices between 1550 and 1600 and a five-fold increase for cattle.³⁸ This inflation continued into the seventeenth century but at a reduced rate. The majority of chiefs' rents at this time were paid in kind and not in cash, so that chiefs who were able to access markets and sell rents in kind reaped a steadily rising income over the long term. Some chiefs, such as MacKenzie of Kintail and Campbell of Glenorchy, were clearly doing this by the late sixteenth and early seventeenth century.³⁹ For those who chose not to

³⁴ For a full list of the thirty-one testaments examined see D. A. Watt, 'Chiefs, Lawyers and Debt: A Study of the Relationship between Highland Elite and Legal Profession in Scotland c1550 to 1700', unpublished Ph.D. Thesis (University of Edinburgh, 1998), Appendix IX, 300-1.

³⁵ *Ibid.*, 223.

³⁶ Brown, *Noble Society*, 106.

³⁷ Brown has commented that 'a true understanding of the wealth and incomes of the early modern Scottish nobility is unlikely ever to be within our grasp', Brown, 'Aristocratic Finances', 49.

³⁸ A. J. S. Gibson and T. C. Smout, *Prices, Food and Wages in Scotland 1550-1780* (Cambridge, 1995), 5.

³⁹ Dodgshon, *From Chiefs to Landlords*, 113.

sell their rents or could not gain access to markets, incomes were not monetised and were determined by the agricultural cycle. However, inflation was a key driver in encouraging greater engagement with the market. Even a relatively isolated chief such as MacDonald of Glengarry was marketing his timber in the burgh of Inverness by the 1570s.⁴⁰ There were no doubt problems at times in gathering rents⁴¹ but this was a feature determined principally by the agricultural cycle and most significant during severe dearth.⁴²

Chiefs did have other sources of income. Clan involvement in the Irish mercenary trade in the late sixteenth century involved contractual employment of clansmen (*buannachan*) from the western seaboard who were paid in money and food.⁴³ Other economic developments included forestry, which was being exploited from the late sixteenth century, quarrying stone and the construction of saltpans in the 1620s and 1630s.⁴⁴ It is not possible to quantify the effect of these sources of income and it remains unclear whether chiefs borrowed to invest in them. Since the evidence of commercialisation is greater after the Restoration it is suggestive that commercialisation was primarily part of a response to reducing debt rather than a process which was funded by debt.

Incomes were therefore rising over the long term in the late sixteenth and early seventeenth centuries. Debt was not primarily accumulated to compensate for declining incomes although in a short term perspective chiefs may have borrowed to balance their books following poor harvests or death of livestock. The inflationary environment of this period was beneficial for debtors as inflation reduced the real value of debts repayable in cash. The general financial backdrop was positive for chiefs in the late sixteenth and early seventeenth centuries as inflation pushed up incomes and reduced the real value of the debts they were accumulating.⁴⁵ However, financial distress could still result despite higher incomes if the chief borrowed excessively.

The management of debt encouraged chiefs to employ commercial agents in Edinburgh and Glasgow⁴⁶ and a close relationship developed with the Edinburgh legal profession who represented chiefs in the central courts and acted as their financial agents, intimately involved in

⁴⁰ *RPC*, ii, 500-1.

⁴¹ Dodgshon, *From Chiefs to Landlords*, 238

⁴² Cregeen has highlighted the difficulties of gathering rents in Mull and Tiree in the late 1730s caused by the loss of cattle from bad weather and low prices. E. R. Cregeen, 'The Tacksmen and their Successors, A Study of Tenurial Reorganisation in Mull, Morvern and Tiree in the Early Eighteenth Century', *Scottish Studies*, 13 (1969) 124-5.

⁴³ Macinnes, *Clanship*, 56-7.

⁴⁴ *RPC*, ii, 500-1, *NAS*, GD 112/23/14/19, 112/18/1/1; Macinnes, *Clanship*, 75.

⁴⁵ There were, however, specific periods of economic contraction caused by climatic factors and political instability, see S. G. E. Lythe, *The Economy of Scotland in its European setting 1550-1625* (Edinburgh, 1960), 16-22. The later 1630s was a period of particular economic difficulty, see A. I. Macinnes, *Charles I and the Making of the Covenanted Movement 1625-1641* (Edinburgh, 1991), 118-123.

⁴⁶ Macinnes, *Clanship*, 71.

the management of debt and providing a source of credit.⁴⁷ These strategies were part of the management of indebtedness but the number of references in the sources to financial difficulties suggests that debt was a significant problem for many chiefs.

The expenditure of chiefs rose substantially in the later sixteenth and early seventeenth centuries for a number of reasons. The rising authority of central government from the later sixteenth century forced and encouraged chiefs increasingly to make use of the central courts to resolve disputes. This involved the employment of lawyers and often much time spent in Edinburgh. There was a significant inflation in legal fees between the late sixteenth and early seventeenth century. At the time of his death in 1582 George, earl of Caithness owed £5 to the advocate Mr John Moscrop, £5 to Mr John Skene and 5 merks to Mr Richard Strang for their annual pensions and fees.⁴⁸ Sir Duncan Campbell of Glenorchy paid an annual pension of £10 to Mr Oliver Colt between 1584 and 1615.⁴⁹ In 1613 an account by the advocate Mr David Primrose for Sir Duncan came to £416 8s 4d,⁵⁰ while the legal expenses of John MacLeod of Dunvegan were £3,632 9s 4d in 1636 and 1637.⁵¹ Archibald Campbell, brother of Campbell of Lawers, who acted as a legal agent for the Campbells of Glenorchy in the 1630s and 1640s was paid a pension of 500 merks each year.⁵² The legal expenses of Sir John Grant of Mulben, younger of Freuchie, in two journeys to Edinburgh in 1620, totalled £1,358 6s 5d.⁵³ These figures reveal the extraordinary inflation in the earning power of advocates in the early seventeenth century. A consultation with Thomas Hope, Thomas Nicholson and James Oliphant cost Grant £94 6s 8d with individual fees of £26 13s 4d, £21 6s 8d and £21 6s 8d and other payments to writers and servants.⁵⁴ The rise from an annual pension of £5 to a daily consultation fee of £26 was an explosive escalation in earning power and a significant financial burden for the chiefs who were experiencing the combination of higher fees and more frequent resort to legal services.⁵⁵

Time spent in Edinburgh highlights the costs of absenteeism and with the removal to London of the Scottish court in 1603 expenses became even higher as many chiefs made the journey to the English court.⁵⁶ Some chiefs borrowed in London to cover the costs: for example, on a

⁴⁷ Watt, 'Chiefs, Lawyers and Debt', 65-107.

⁴⁸ NAS, CC 8/8/12, fo. 43.

⁴⁹ NAS, GD 112/29/2/1-19, *Clan Campbell*, viii, 186.

⁵⁰ NAS, GD 112/36/3/3.

⁵¹ R. C. Macleod (ed.), *Book of Dunvegan*, 2 vols, Third Spalding Club (Aberdeen, 1938-9), i, 200-202.

⁵² *Black Book of Taymouth*, 81.

⁵³ Fraser, *Grant*, iii, 322-334.

⁵⁴ *Ibid.*, iii, 324-5.

⁵⁵ The daily wage of an Edinburgh mason was between 10s and 12s between 1611 and 1629. It would therefore take a mason around fifty two working days to earn the same as an advocate might earn from one consultation. Gibson and Smout, *Prices, Food and Wages*, 305-6.

⁵⁶ Watt, 'Chiefs, Lawyers and Debt', 45-9.

visit to London in 1619 Sir Lachlan Macintosh borrowed 1,000 merks from John Jowsie, a London merchant.⁵⁷ The amount of time chiefs spent at court was criticised by Gaelic poets in the later seventeenth century.⁵⁸

There were also higher costs associated with greater engagement with local, national and international politics. The crushing of the MacDonald rebellion in Islay in 1614-15 left the earl of Argyll with substantial debts.⁵⁹ The polarisation of the highland clans and their engagement in national politics during the civil war period proved very costly and Donald Mackay, first Lord Reay of Strathnaver, spent very large sums raising recruits to fight in the Thirty Years' War.⁶⁰ There was also a significant rise in the fiscal demands of the state in the later sixteenth and seventeenth century.⁶¹

Conspicuous expenditure was another key reason for borrowing and the building of new or improved residences was its most immediately visible manifestation. Brown has stated that 'building works were the single biggest capital investment a noble house-hold was likely to make'.⁶² The late sixteenth and early seventeenth centuries was a period of extensive building activity by the highland elite with twenty-four new castles assigned by MacGibbon and Ross to this period.⁶³ Other aspects of conspicuous expenditure included the fine furnishings of these abodes, and the fashionable clothes and gambling bemoaned by Gaelic poets.⁶⁴

The supply of credit also influenced the rise of indebtedness. The Scottish 'debt market' developed in the later sixteenth and early seventeenth centuries as the economy grew and capital was accumulated by merchants, lawyers, lairds and larger tenants.⁶⁵ The period from 1550 to 1640 witnessed a gradual shift in the nature of credit networks open to chiefs. Initially they borrowed from servitors, kinsmen, local burgh

⁵⁷ H. Paton (ed.), *The MacKintosh Muniments, 1442-1820* (Edinburgh, 1903), no. 288.

⁵⁸ A. M. MacKenzie (ed.), *Orain Iain Luim: Songs of John MacDonald, Bard of Keppoch*, Scottish Gaelic Texts Society (Edinburgh, 1973), 90-1, 124-5, J. Carmichael Watson (ed.), *Gaelic Songs of Mary MacLeod*, Scottish Gaelic Texts Society (Edinburgh, 1965), 52-3, C. O'Baoill (ed.), *Eachann Bacach and other MacLean Poets*, Scottish Gaelic Texts Society (Edinburgh, 1979), 51.

⁵⁹ Brown, 'Aristocratic Finances', 66.

⁶⁰ MacInnes, *Clanship*, 127, 129.

⁶¹ J. Goodare, *State and Society in Early Modern Scotland* (Oxford, 1999), 102-32, Brown, 'Aristocratic Finances', 73-4.

⁶² Brown, *Noble Society*, 84-5.

⁶³ Muckrach, Erchless, Dalcross, Kilcoy, Grandtully, Cawdor, Ruthven, Rossthdu, Meggernie, Aberuchill, Comrie, Finlarig, Achallader, Dundarave, Barcaldine, Invergarry, Redcastle, Castle Leod, Ardvreck, Kilmartin, Edinample, Balloch, Castle Menzies and Carnassery. D. MacGibbon and T. Ross, *The Castellated and Domestic Architecture of Scotland*, 5 vols, (Edinburgh, 1887-92), ii-iv.

⁶⁴ MacKenzie, *Orain Iain Luim*, 124-5. W. Matheson (ed.), *The Blind Harper (An Clarsair Dall)*, Scottish Gaelic Texts Society (Edinburgh, 1970), 68-9.

⁶⁵ The term 'debt market' is used to refer to the loose network of lawyers, merchants and lairds who acted as the prime source of credit for the nobility and the Scottish state in the 17th century.

merchants and tenants but increasingly from merchants and lawyers in Edinburgh. These debts involved chiefs in an expanded network of obligations outside their traditional political and social sphere. In the late sixteenth century the creditors of Grant of Freuchy and Colin Campbell of Glenorchy were all servants and locals.⁶⁶ However, by the beginning of the civil war period Edinburgh merchants and lawyers had become an increasingly important source of credit.⁶⁷ The expansion of the Edinburgh debt market made it increasingly easy for chiefs to borrow and underwrite their rising expenditure. Many chiefs must have borrowed simply because they could.

The expansion of the 'culture of credit' and a 'debt market' is reflected in the state's taxation of the interest income of creditors from 1621. The taxes levied on annual rents⁶⁸ provide a snapshot of the Scottish debt market at this time. For example the inventory of the burgh of Inverness in 1622 indicates that Inverness burgesses were a significant source of credit for chiefs such as Simon Lord Fraser of Lovat, Rose of Kilravock, John Grant of Freuchy, Sir Rory MacLeod of Dunvegan and MacKay of Strathnaver, with sums borrowed ranging from 1,000 merks to £5,000.⁶⁹ Other burghs on the fringe of the highlands such as Perth, Elgin and Nairn also provided credit.⁷⁰ Unfortunately there are a number of key gaps in the surviving records of this tax, including—crucially for an examination of the creditors of the chiefs—the burghs of Glasgow and Edinburgh where it is known from other sources that chiefs were actively borrowing.

Illegal or usurious lending was a significant part of credit provision in Scotland in the late sixteenth and early seventeenth century. There is ample evidence in the number of acts passed by parliament and privy council against usury and in prosecutions of an unofficial lending market.⁷¹ Indeed, the 'Act anent annualrentis' of 1597 complained of interest rates between 30% and 50%.⁷² Usurious lending was, of course, seldom a matter of public record.⁷³ The prevalence of such high interest rates indicates excessive demand for credit in a growing economy but also reflects the way in which some lenders priced in the risk of lending to those of low credit quality. There was obviously a difference in perception of the likelihood of repayment between a local Edinburgh laird and a distant highland chief. The problems faced by borrowers such as the

⁶⁶ NAS, CC 8/8/17, fo. 81, CC 8/8/13, fo. 136.

⁶⁷ *Black Book of Taymouth*, 96, Watt, 'Chiefs, Lawyers and Debt', 206-9.

⁶⁸ NAS, Taxation of Annualrents E61/1-62.

⁶⁹ NAS, E61/7.

⁷⁰ NAS, E61/3, E61/12, E61/32.

⁷¹ *Acts of the Parliament of Scotland [APS]*, iii, 451, iv, 70, 119-20, 133-4, 138, 187, 228, 627; *RPC*, v (?), 20-2, ix, 283-4, Ewan, 'Debt and Credit', 84-5.

⁷² APS, iv, 119-20. These rates were not excessive. For example interest rates in Devon in 1571 were often higher than 100%. N. Jones, *God and the Moneylenders: Usury and Law in Early Modern England* (Oxford, 1989), 73, 77. The official interest rate in Scotland was 10% in the later 16th century, being reduced to 8% in 1633 and to 6% in 1649 where it remained for the rest of the century.

⁷³ Jones, *God and the Moneylenders*, 66.

Captain of Clanrannald may reflect usurious rates and the higher cost of their debts.

The later sixteenth century and first half of the seventeenth century therefore witnessed a rising burden of debt on the highland chiefs but the rise of indebtedness during this period should not be viewed as catastrophic. The price revolution reduced the real value of debts and provided chiefs with a rising income from their land. There is also evidence of other sources of income, although it remains unclear how successful these were in providing a return, and strategies to manage the rising amount of debt. However, the evidence of difficulties among many chiefs indicates that excessive debt was being accumulated. Indebtedness was caused by increasing expenditure in response to the rising authority of the state, conspicuous consumption, absenteeism and a relatively plentiful supply of credit occasioned by the growth of the debt market itself. Indebtedness was primarily the result of high levels of expenditure rather than deficiency of income.

The paucity of surviving evidence makes it difficult to construct a detailed debt profile of a particular chief and kindred through time. The sources available for the study of the Campbells of Glenorchy, however, allow us to examine the debts of this highland kindred in more detail than it is possible for others. Colin Campbell of Glenorchy died in 1583 with debts of £941 13s 4d: these largely consisted of sums owing to the church such as stipends and teinds and outstanding servants' fees.⁷⁴ When his son, Sir Duncan Campbell of Glenorchy, died in 1631, he had debts of 41,250 merks. There were eleven creditors who were owed sums ranging from 1,000 to 13,000 merks; nine of the eleven were kinsmen of Sir Duncan and one was his servitor.⁷⁵ There was, therefore, a distinct increase in the level of debt between 1583 and 1631 but the rising burden should be set against the extensive accumulations of land made by Sir Duncan and the high level of spending by him on new buildings, agricultural improvements and tochers in the late sixteenth and early seventeenth centuries.⁷⁶ Sir Duncan invested excess capital in land, and despite accumulating significantly more debt than his father, the level of indebtedness did not cause him any financial difficulties. The evidence of financial distress described above indicates that Sir Duncan was probably atypical in the management of his finances during the early seventeenth century. He was well known for being a ruthless and successful chief.

However, by 1643 the debt profile of the kindred had altered significantly:

Sir Robert being totallie exhaustit by the ladies of Glenorchy ther zeirly rents, and paying other creditouris he wes forced to borrow from Sir Chairles Erskine of Cambuskennall the soume of £20,000, and from Mr

⁷⁴ NAS, CC 8/8/13, fo 136-7.

⁷⁵ NAS, GD 112/1/488.

⁷⁶ Watt, 'Chiefs, Lawyers and Debt', 137-8.

Rodger Mowatt advocatt in Edinburgh...20,000 merks, and from Captane John Short provest of Stirlane...8,000 merks, and from Patrick Hebrune of Willyes ane appoticarie in Edinburgh...5,000 merks.⁷⁷

Such heavy borrowing outside the Campbell kindred left the family in a precarious financial position in the wake of the destructive raids on Campbell lands during the Montrose campaigns of 1644-5: 'In the zeiris of God 1644 and 1645 the laird of Glenorchy his whole landis and esteatt betuixt the foord of Lyon and point of Lesmoir weir brunt and destroyit be James Grahame soumtymes earle of Montrois, and Alexander McDonald'. According to the author of the Black Book of Taymouth the raids were estimated to have caused destruction of 1,200,000 merks.⁷⁸

In 1648 the level of Campbell of Glenorchy debt exceeded 400,000 merks representing a 970% increase since 1631. But this was reduced to 200,000 merks between 1648 and 1654 by the careful management of Sir John Campbell of Glenorchy who increased yearly rents from the Glenorchy estates from less than 2,800 merks, following the devastation of the Civil Wars, to 16,000 merks and must have cut back on other costs, such as conspicuous expenditure.⁷⁹

However, this period of debt reduction was short-lived; a list drawn up in 1680 for John Campbell of Glenorchy, first earl of Breadalbane, names forty three creditors who were at law against Breadalbane for recovery of debt.⁸⁰ In 1696 the private debts of Breadalbane totalled £208,007 owed to sixty-five creditors, including £25,074 that was borrowed in London.⁸¹ The management of legal cases arising from these debts was a central concern of Breadalbane throughout the later seventeenth century. The correspondence between him and his Edinburgh legal agent and kinsman, Colin Campbell of Carwhin, writer to the Signet, is full of references to Breadalbane's debts and ideas about how to extricate him from the consequences of default. On 30 January 1694 Lady Mary Campbell, Countess of Caithness, and Breadalbane's second wife, wrote to Viscount Tarbat from London: 'My Lord [Breadalbane] is so frank in this affair to give my son an honorable provition, that I hav good ground to think itt will be the first debt he will releev his estat of'.⁸²

Much of the military campaigning in the Civil War period occurred in the highlands. The marquis of Argyll's raids into Atholl in 1640, the Montrose Campaigns of 1644-5 and the Glencairn Rebellion of 1653-4 all caused massive destruction and major dislocation of the highland economy and plunged many chiefs who were already substantially in debt into severe financial difficulties.⁸³ The rent from Campbell of Cawdor's lands in Islay and Muckairn was between £20,000 and £22,000

⁷⁷ *Black Book of Taymouth*, 96.

⁷⁸ *Ibid.*, 100-1, 102.

⁷⁹ NAS, GD 112/39/113/23.

⁸⁰ NAS, GD 112/38/5/15.

⁸¹ NAS, GD 112/38/14/5-6

⁸² W. Fraser (ed.), *The Earls of Cromartie*, 2 vols, (Edinburgh, 1876), i, 103-5.

⁸³ Macinnes, *Clanship*, 104-10.

annually before the Civil War period, but by 1651 it had collapsed by 90% to £2,216 10s 2d.⁸⁴ The Campbells of Glenorchy also experienced a drastic reduction in rents: 'all the rent of the estait did not reach 2800 merks be reason of the devastations'.⁸⁵ The marquis of Argyll's Argyllshire estates provided no rents between 1644 and 1647.⁸⁶ Income levels of highland chiefs were greatly reduced and as a result interest payments on debts could not be met. Creditors of chiefs, who by this period were often not kinsmen but Edinburgh merchants, lawyers or lowland lairds, were forced to take action in the central courts in an attempt to recover some of their investment. This involved raising appraisings on debtors' lands so that income could be directed to the creditor until the debt was paid off. For example there were extensive appraisings, for very large amounts of debt, raised on the lands of George, earl of Seaforth in 1649 and 1650 by the following creditors: Mr James Durham of Pittkero for a debt of 9,410 merks; Alexander Lord Balcarres for £23,291 13s 4d; William Downie, writer in Edinburgh, for £12,178 5s; Hugh Hamilton, merchant of Edinburgh, for £10,699 18s; Robert Murray, merchant of Edinburgh, for 23,610 merks; and Mr Robert Logane for £59,405.⁸⁷ It remains unclear how effective such appraisings were, from the point of view of the creditor, in achieving any sort of recovery especially when the assets of the debtor were in isolated areas where the authority of central government remained limited. Often the debts were ultimately purchased by kinsmen or neighbouring chiefs at presumably large discounts.⁸⁸ However, the raising of an appraising was itself an important signal to other creditors, especially those who were part of the Edinburgh debt market and had no social links with the debtor, that the debtor was in financial distress. Once appraisings were raised it was very difficult for the debtor to borrow further sums in Edinburgh.

In the second half of the seventeenth century economic conditions became much harsher for debtors. There was a period of severe deflation particularly in the 1650s and 1660s. Gibson and Smout refer to a 'halving in the prices before the later 1670s for oats, oatmeal and perhaps wheat'.⁸⁹ Aberdeen beef prices fell from £9 in 1656 to bottom at £6 between 1667 and 1671 before increasing to £8 by 1689. There was also deflation of mutton prices from the late 1650s with a pick up only in the late 1670s.⁹⁰ In Forfarshire, a fertile area, valued rents for the shire fell by £2,713 between 1667 and 1682.⁹¹ Falling prices were caused by the

⁸⁴ *Book of the Thanes of Cawdor*, 303.

⁸⁵ NAS, GD 112/39/113/23.

⁸⁶ Macinnes, *Clanship*, 105.

⁸⁷ *Registrum Magni Sigilli Regum Scottorum* [RMS], ix, no. 2138, 2139, 2140, 2150, 2180, x, 646.

⁸⁸ NAS, GD 305/1/148/207.

⁸⁹ Gibson and Smout, *Prices, Food and Wages*, 165-6.

⁹⁰ *Ibid.*, 65, 85, 95, 109, 118, 209.

⁹¹ J. McFaulds, 'Forfarshire Landowners and their estates 1660-1690', unpublished Ph.D. Thesis (University of Glasgow, 1980), 17.

demand shock of the Civil Wars on the Scottish economy and the burden of indebtedness on the Scottish landowning class.⁹² A large proportion of the accumulated capital of merchants, lawyers, lairds and larger tenants had been squandered, as much of it had been invested in debts provided to the nobility, including chiefs, and the covenanting regime. Deflation spells serious trouble for borrowers, raising the real value of debts and reducing the cash exchange value of agricultural commodities. Debts rise in value each year while income in kind diminishes and a debt deflation emerges: a combination of indebtedness, falling prices and high real interest rates.⁹³ The chiefs found themselves in severe financial difficulties; burdened with debt which was not being inflated away and faced with a downward trend in their incomes from rentals. Those who received a higher proportion of rent in cash were in a stronger position. Obtaining further debt to bail them out in the short term was also much more difficult in the tighter credit environment of the years following the Civil Wars.⁹⁴

Against this financial backdrop it is no wonder that during the Restoration period the prime concern of many highland chiefs was the management of their debts with estate policy focused on this issue above all others. There is extensive evidence of financial distress among the chiefs in the later seventeenth century. In 1664 the lands and the barony of Foulis were appraised from John Munro of Foulis by Sir Robert Hepburn of Keith.⁹⁵ In a letter of 22 September 1665 the ninth earl of Argyll stated that he was faced with debts in the region of 1,000,000 merks.⁹⁶ In 1673 John Campbell of Duntroon was forced to relinquish control over his estates to his major creditor.⁹⁷ On 2 February 1678 twelve kinsmen of Sir James MacDonald of Sleat wrote to Lord Tarbat that 'ther has been little or no progress at all made in the payment of ther wast debts'.⁹⁸ In 1688 John, first marquis of Atholl, wrote to John earl of Breadalbane about the difficulties Robert Campbell of Glenlyon was experiencing because of his extensive debts.⁹⁹ Sir John MacLean of Duart owed £232,000 to the ninth earl of Argyll; the background of a major struggle between the two kindreds in the later seventeenth century.¹⁰⁰ In 1688 MacDougall of

⁹² This deflationary period following the price revolution of the previous 150 years probably had significant effects on the financial, economic and social history of Scotland. It has, as yet, received little attention from historians.

⁹³ I. Fisher, 'The Debt-Deflation Theory of Great Depressions', *Econometrica* 1 (1933) 337-357.

⁹⁴ This is indicated by comparing the large absolute amounts that were borrowed from the Edinburgh debt market in the early 1640s with the relatively smaller sums in the 1660s. see Watt, 'Chiefs, Lawyers and Debt', 298-9.

⁹⁵ C. T. McInnes (ed.), *Calendar of Writs of Munro of Foulis, 1299-1823*, Scottish Record Society (Edinburgh, 1940), 240.

⁹⁶ Sir George Sinclair and Charles K. Sharpe (eds), *Letters from Archibald Earl of Argyll to John, Duke of Lauderdale*, Bannatyne Club (Edinburgh, 1829), 24-7.

⁹⁷ NAS, Campbell of Duntroon Muniments, GD 116/1/76.

⁹⁸ Fraser, *Cromartie*, i, 27-9.

⁹⁹ NAS, GD 112/39/143/2.

¹⁰⁰ Macinnes, *Clanship*, 38-9, 106, 136.

Dunnollie and his clan gentry thanked Viscount Tarbat for help in business before the Exchequer and stated that he was the 'onlie instument, under God, of keiping that familie from being extinct'.¹⁰¹ Rose of Kilravock was 'so straitened that he purposed to sequesterate his estate, and to go into the military service; yet his friends diverted him from this course'.¹⁰² MacLeod of Dunvegan, MacDonald of Clanranald, Lord Reay, MacDonald of Glengarry and Grant of Freuchy also suffered from severe indebtedness in the Restoration period.¹⁰³ The management of debts was a central part of the workload of the Edinburgh advocate of highland origins, John MacKenzie of Delvine, for his large number of highland clients.¹⁰⁴

A study of testaments reinforces the picture of chronic indebtedness during this period. Out of a sample of twenty-one testaments from the years between 1650 and 1700, ten (48%) were registered by creditors of the deceased as part of the process of recovery of debt. This compares with one out of thirty-one (3%) for the period from 1570 to 1650.¹⁰⁵ Surprisingly there are fewer testaments available for study in the later seventeenth century, when we might have expected more to have survived, probably because of the rising indebtedness of the chiefs. By the later seventeenth century the financial position of many chiefs made it less likely that they registered their testaments in a public register where their precarious financial position might be more visible to others.

Applications to the Privy Council for protection from arrest by creditors are further evidence of chronic indebtedness. Such protections allowed debtors to enter Edinburgh without the risk of arrest and imprisonment for defaulting. In June 1662 Ewen Cameron of Lochiel applied to the Privy Council for protection from Lachlan Macintosh of Torcastle and other creditors who had letters of horning and caption against him.¹⁰⁶ In November of the same year Colin Campbell of Lochnell, and other cautioners of the earl of Argyll, applied for protection so they might attend a committee appointed to consider the debts of the late marquis of Argyll.¹⁰⁷ In 1665 protections were given to John Munro, younger of Foulis, Kenneth MacKenzie of Coul, Roderick MacKenzie of Fairburn, Colin MacKenzie of Logie, Kenneth, earl of Seaforth, Sir Allan MacLean of Duart and Colin Campbell of Lochnell.¹⁰⁸ In 1669 applications were made by Lord MacDonald, Cameron of Lochiel, John MacLeod of Dunvegan, Sir John Urquhart of Cromarty and Sir James MacDonald of Sleat.¹⁰⁹ Indeed, the government's agent for settling the highlands in the 1660s and 1670s, Sir James

¹⁰¹ Fraser, *Cromartie*, i, 57-8.

¹⁰² *Rose of Kilravock*, 379.

¹⁰³ Macinnes, *Clanship*, 126-8, 149.

¹⁰⁴ Watt, 'Chiefs, Lawyers and Debt', 174-94.

¹⁰⁵ *Ibid.*, 227.

¹⁰⁶ *RPC*, third, i, 224.

¹⁰⁷ *Ibid.*, i, 294.

¹⁰⁸ *Ibid.*, ii, 1, 15, 33, 52, 58, 64.

¹⁰⁹ *Ibid.*, iii, 34, 86, 87, 103, 104.

Campbell of Lawers, had to apply continuously to the Privy Council for protection from his creditors so that he could safely come to Edinburgh and provide the council with reports about progress of his work.¹¹⁰ In the early seventeenth century James VI had tried to persuade the island chiefs to come to Edinburgh and use the central courts to resolve their differences. This policy, to a certain extent, had been successful. It is therefore ironic that in the later seventeenth century many island and highland chiefs were unable to come to Edinburgh because of the threat of arrest for unpaid debts. As a result they relied increasingly on the Edinburgh legal profession to act for them in the capital and made applications for letters of protection when it was utterly necessary that they make the journey in person.

The rising importance of debt as a major concern of highland chiefs is neatly reflected in administrative changes of the Campbells of Glenorchy. The Glenorchy chiefs issued many bonds of manrent in the later sixteenth century. These bonds were written reflections of dominance over neighbouring kindreds and they were carefully registered in special 'Books' by the Glenorchy servitors.¹¹¹ By the seventeenth century bonds of manrent were more or less a thing of the past: Wormald informs us that very few were made in Scotland after 1600.¹¹² A few bonds of friendship were still signed in the highlands in the later seventeenth century but in general the seventeenth century witnessed the disappearance of the bond of manrent in the highlands and lowlands.¹¹³ As a result, by the later seventeenth century John Campbell of Glenorchy, first earl of Breadalbane, had no requirement for a 'Book of Bonds of Manrent', instead a 'Register of Wadsets' was being kept for him.¹¹⁴ Wadsets were a form of mortgage which involved a conveyance of land by the borrower (reverser) to the lender (wadsetter) in return for a sum of money. A clause of reversion made it possible for the land to be returned to the borrower if the initial sum was repaid.¹¹⁵ Wadsets were an increasingly common method of borrowing in the seventeenth century and Campbell of Glenorchy lands were being wadsetted from the late 1650s.¹¹⁶ This transition from a 'Book of Bonds of Manrent' to a 'Register of Wadsets' is symptomatic of the rising importance of borrowing for the seventeenth century chiefs, their integration into a culture of credit and the decline of traditional lordship. It also indicates the effect of indebtedness on the land market in the highlands as those of lower rank gained a position in the landholding structure. Individuals below the chief and leading clan gentry had not gained ownership

¹¹⁰ *Ibid.*, iii, 73-6, 115, 139, 263, 611, iv, 112, 146, 171, 309.

¹¹¹ J. Wormald, *Lords and Men in Scotland: Bonds of Manrent, 1442-1603* (Edinburgh, 1985), 101.

¹¹² *Ibid.*, 161.

¹¹³ Macinnes, 'Repression and Conciliation', 170.

¹¹⁴ NAS, GD 112/5/6.

¹¹⁵ George C. H. Paton (ed.), *An Introduction to Scottish Legal History*, The Stair Society (Edinburgh, 1958), 184-5.

¹¹⁶ NAS, GD 112/5/6.

of land in the sixteenth century by secularisation of kirklands as happened in the lowlands. Macinnes has commented that the expansion of proprietorship in the highlands in the later seventeenth century was 'of a similar social magnitude to the expansion of landownership in the lowlands brought about by the secularisation of the kirklands in the sixteenth century'. For example the number of recorded heritors in Argyllshire rose by 27% between 1629 and 1688.¹¹⁷

Highland chiefs were therefore struggling to come to terms with severe financial difficulties during the Restoration period. This was occasioned by the significant build up of debts from the later sixteenth century and caused by the collapse of incomes during the mid-century political crisis and the deflationary economic environment of the period from 1650 to 1670. It is not possible to determine conclusively whether the financial crisis experienced by the highland chiefs was different in degree from that of the lowland nobility;¹¹⁸ however, common sense suggests that it was. The highlands were the focus of much of the military campaigns of the 1640s and the 1650s and this was very destructive to the economy. Agricultural land in the highlands was generally less productive than land in the lowlands making financial recovery more protracted. This was particularly the case in the western highlands and islands.¹¹⁹ The relative costs of absenteeism were higher for highland chiefs for purely geographical reasons.

*

Having described the extension of indebtedness and its causes in the period from c.1550 to 1700 and argued that by the later seventeenth century most highland and island chiefs were in a chronic state of financial distress it is necessary to examine the effects of financial crisis on the chiefs. The problems caused by excessive indebtedness could result in the temporary eclipse of the chief from the top of the landholding hierarchy. By the later seventeenth century some chiefs were forced to relinquish control over their lands to commissions that took over the administration of estates until debts had been substantially reduced. For example, on 2 February 1678 twelve MacDonald clan gentry wrote the following to Lord Tarbat:

When wee, though bot a few of the branches of the familie of McDonald (yet the nearest), does consider and weigh with ourselves, that through the discrepancies arysing dayly betwixt Sir James and Sir Donald his son, ther has been little or no progress at all made in the payment of ther wast debts, wee find it no less then our dewtie and concerne, both for ther owne and our preservation, to put on a resolution, as now we are resolved

¹¹⁷ Macinnes, *Clanship*, 1, 142, 144.

¹¹⁸ Very little analytical research has been undertaken into the finances of individual members of the Scottish nobility during the Restoration. An exception is McFaulds, 'Forfarshire Landowners'.

¹¹⁹ Dodgshon, *Chiefs to Landlords*, 21.

to doe, to separat, with your Lordships advice and concurrence, the estate from them both.¹²⁰

In 1672 MacKinnon of Strath transferred his estate to a commission which included John MacLeod of Dunvegan, in order that his debts could be paid off.¹²¹ On 30 May 1674 articles were agreed between the earl of Atholl and his friends 'anent the better management of His Lordships estate and uplifting of his Lordships rents, and anent the more effectual and better payment of his Lordships Debts and annual rents yearly'. The articles stated that 'it is thought fitt that ther be a perfytt and exact list of his Lordships wholl principall debts drawn up'. The rents and duties of Atholl, Balquidder and Glenalmond were to be set aside to cover the interest payments on Atholl's debts.¹²² On 5 March 1674 Robert Campbell of Glenlyon transferred the administration of his estates to a commission

considering that there are severall debts soumes of money and uther burdings and incumbrances affecting and burdening my lands and uthers pertaineing and belonging to me. And that it is simple and altogether impossible ffor me to take course with the saids debts...without the Counsell advyse and concurrence of some of my good ffreinds.¹²³

These included John Campbell, younger of Glenorchy, Sir Alexander Menzies of that Ilk, Duncan Stewart of Appin and Colin Campbell of Monzie. The commission gave them power to set and grant tacks and to receive all the duties from his lands, to appoint a factor and a chamberlain, to grant contracts of wadset and to continue until all the debts were paid off.

John Campbell of Duntroon lost control of his estate to another commission:

taking to his consideration that his house and estait of Downtroone is under great debt and almost totally ruined thairby. And he being most desyrous above all things earthly to keip and preserve the said family from perishing...And knowing no better and moir probable way ffor preserving the same then to comitt the manageing of the said estait...to the trust and care of the firsaidis foure persones his friends.¹²⁴

It is noticeable that in most cases such commissions were composed of kinsmen of the chiefs or neighbouring chiefs and clan gentry. Effective control of the chief's lands was taken out of his hands but was kept within the kindred. The freedom of action of the chief was diminished and the surplus of their estates could no longer be spent in the way they wanted.

¹²⁰ Fraser, *Cromartie*, i, 27-8.

¹²¹ *Book of Dunvegan*, i, 123.

¹²² John Duke of Atholl (ed.), *Chronicles of the Atholl and Tullibardine Families* (Edinburgh, 1908), i, 164-6.

¹²³ NAS, GD 112/2/8/16.

¹²⁴ NAS, GD 116/1/28.

As a result their political position was curtailed, as was the exalted symbolic power of their lordship, although the land itself remained in control of the kindred or neighbours and the chief still remained at the apex of the social hierarchy in terms of the kin-based society. The evidence of such commissions indicates a decline in the power of the highland chiefs in the later seventeenth century. The chiefs do not conform to Brown's view of the Scottish aristocracy in the early modern period as among the most powerful in Europe and not affected by even relative decline.¹²⁵

The following extract from John Nicoll's diary reveals that indebtedness could bring great indignities:

In the moneth of November 1654, the Marques of Ergyll repaired to Dalkeith...At quich tyme he resaved...much effrontes and disgraces of his creditouris, quha being frustrat and defraudit be the Marques of thair just and lauchfull dettis, spaired not, at all tymes as he walked, ather in streit or in the feildis, (to call him) "A fals traitour". Besyde this, his hors and hors graith, and all uther houshold stuff, wer poyndit in Dalkeith and at Newbottill, and brocht to Edinburgh, and thair comprysit at the Mercat Croce for dett.¹²⁶

Thus was the world turned upside down in a new era as debt obligations began to replace the older ties of kinship and lordship. In November 1655 the marquis was arrested in London at the instance of a creditor, Elizabeth Maxwell, the widow of the earl of Dirleton, for a debt of £1,000 Sterling.¹²⁷ Indebtedness could even humiliate the most powerful in the realm and was a vital factor eating away the charisma and munificence of lordship.¹²⁸ That the chiefs were now less esteemed is evident from the Gaelic poetry of the later seventeenth century. The following extract from Roderick Morrison's 'Oran do Mhac Leoid Dhun Bheagain' (A Song to MacLeod of Dunvegan) criticises Roderick Macleod, who was chief between 1693 and 1699, for borrowing money to finance his purchase of foreign luxuries on the security of the MacLeod lands:

*Thig e mach as a'bhuth
leis an fhasan as ur bho'n Fhraing,
's an t-aodach gasda bha 'n de
m'a phearsa le speis nach gann
theid a shadadh an cuil-
'Is dona 'm fasan, chan fhiu e plang.*

¹²⁵ K. M. Brown, *Kingdom or Province? Scotland and the Regal Union 1603-1715* (London, 1992), x, 3.

¹²⁶ John Nicoll, *A Diary of Public Transactions*, ed. David Laing, Bannatyne Club (Edinburgh, 1836), 140.

¹²⁷ J. Willcock, *The Great Marquess, Life and Times of Archibald, 8th Earl, and first (and only) Marquess of Argyll (1607-1661)* (Edinburgh, 1903), 296.

¹²⁸ Archibald Campbell, first marquis of Argyll had himself exploited the obligations of debt to extend his territorial influence over the estates of Sir Lachlan MacLean of Duart, John MacDonald of Moidart, Captain of Clanranald and George Gordon, second marquis of Huntly. Macinnes, *Clanship*, 96-7.

*Air mal baile no dha
glac am peana 's cuir lamh ri bann*".¹²⁹

Despite the vast accumulation of debt by highland chiefs in the seventeenth century complete ruin was very rare. Survival was underwritten by the extensive land assets that could be used as a reservoir to secure further borrowing and by the conservative nature of highland society with kinship still a potent force for cohesion and kinsmen acting to preserve the existing social structure.¹³⁰ Macinnes has argued that the expansion of the land market occasioned by wadsetting and sale gave the clan Campbell unrivalled cohesion in the later seventeenth century and that the extension of landownership through debt reinvigorated solidarity between chief and clan gentry.¹³¹ However the interpretation presented here is of a social system struggling to come to terms with the powerful forces of a debt deflation which produced a sharp fall in the economic, social and cultural power of the chiefs.

Another effect of financial distress was a more commercial attitude to the running of estates and this had a significant effect on the traditional claims of loyalty and lordship between chief and clan. To meet existing interest payments or to reduce the overall debt burden productivity of estates had to rise and chiefly expenditure had to fall. The latter was unpalatable for a lord who prided himself on conspicuous expenditure but there is evidence that chiefs did seek to cut costs. The series of commissions that were established to administer estates in the later seventeenth century involved control of expenditure. Those who had traditionally held land without paying rent, hereditary professional families or kinsmen who held land in return for military service, found themselves under pressure. In a memorandum concerning the earl of Seaforth's finances it was stated that 'all men...hes tracts of land for no dewtie at all may quiet thess landis to my lord without any acknowledged'.¹³² The decline of the hereditary professional families of Gaelic culture was surely a direct consequence of the indebtedness of the chiefs. The phasing out of tacksmen was a feature of commercial orientation in Argyllshire, the southern highlands and on estates in the central and eastern highlands under the control of lowland landlords.¹³³ There was also increased pressure to convert rentals into cash payment as the purchasing power of cash rose relative to the purchasing power of agricultural commodities in the deflationary environment of the later seventeenth century.

¹²⁹ 'He comes out of the shop with the latest fashion from France, and the fine clothes worn on his person yesterday with no little satisfaction are tossed into a corner- "The style is unmodish, not worth a plack. On the security of a townland or two, take the pen and sign a bond."' Matheson (ed.), *Blind Harper*, 68-9.

¹³⁰ An interesting exception was John Campbell of Duntroon whose estate was taken over by a commission and who ultimately lost all his land and house to his major creditor, Neil Campbell, sheriff-depute of Argyll. See Watt, 'Chiefs, Lawyers and Debt', 235-6.

¹³¹ Macinnes, *Clanship*, 144, 149.

¹³² NAS, Mar and Kellie Muniments, GD 124/15/147.

¹³³ Macinnes, *Clanship*, 145.

More appealing was the drive to increase the productivity of land. The droving trade in highland cattle was growing from the early seventeenth century but major expansion was associated with the rapid growth of London after the Restoration¹³⁴ and is likely to have been stimulated by the financial problems of the chiefs. The ninth earl of Argyll introduced short leases from five to nineteen years to ensure accountability and developed businesses in coal, salt, fishing, shipping and lime and slate quarrying.¹³⁵ His very substantial debts were surely the principal reason for this focus on commerce. The marquis of Atholl introduced more commercial estate management and John Campbell of Glenorchy, first earl of Breadalbane, invested in steelbow and the exploitation of timber.¹³⁶ But rather than expressing aristocratic self confidence, as Brown believes, both men were responding to the realities of financial crisis.¹³⁷

Other responses by the chiefs included the development of merchant networks in London which acted as avenues of credit provision. For example, by 1696 the earl of Breadalbane had borrowed £2,400 from John Campbell, goldsmith in London; £1,410 from James Campbell, merchant in London; £2,112 from David Campbell in London; and £2,400 from Captain Dougall Campbell in London.¹³⁸ Younger sons became merchants in lowland burghs and London. Breadalbane's younger brother was apprenticed to a London merchant involved in trade to the Levant and another to an Edinburgh merchant who had connections with Dutch commerce. There was also investment in colonial ventures. Lord Neil Campbell was involved in the attempt to establish a colony at Stuartstown in South Carolina in 1682 and he and Sir Ewen Cameron of Lochiel in the colonial venture to East New Jersey in 1685.¹³⁹ These provided no financial return but are indicative of the increasingly commercial attitudes of the highland chiefs. Members of the highland elite moved into the legal profession in significant numbers in the later seventeenth century.¹⁴⁰ Part of the reason for this was financial and related to the high costs of the vast amount of legal work required by the management of debt. This is stated explicitly in a document by which a younger brother of the earl of Breadalbane agreed to provide free legal services for his brother.¹⁴¹

More controversial for the chiefs was raising rents and placing the financial burden for their indebtedness on their tenants. The ninth earl of Argyll quadrupled his rents from £15,000 to £61,327 in the two decades after 1665.¹⁴² In a letter of 3 May 1688 the earl of Atholl

¹³⁴ Macinnes, *Clanship*, 142-3; Dodgshon, *Chiefs to Landlords*, 113-14.

¹³⁵ *Ibid.*, 146-7.

¹³⁶ Brown, *Kingdom or Province?* 38, Macinnes, *Clanship*, 148.

¹³⁷ K. M. Brown, *Noble Society*, 69.

¹³⁸ NAS, GD 112/38/14/5.

¹³⁹ Macinnes, *Clanship*, 147.

¹⁴⁰ Watt, 'Chiefs, Lawyers and Debt', 92-9.

¹⁴¹ NAS, GD 112/3/73/6.

¹⁴² Macinnes, *Clanship*, 146.

informed the first earl of Breadalbane that Robert Campbell of Glenlyon ‘oppresses the poor tenants that ther is and will be much land cast waste in the Glen’.¹⁴³ There are references to rent increases in the Gaelic poetry of the period. For example Iain Lom in his ‘Do Mhac Fhionghuin an T-Sratha’ (A Song to MacKinnon of Strath) praises the MacKinnon chief for not extending the exactions on his tenants:

*Cha b’e ’m fasan bh’aig cach
So ghlac thu mar ghnath-
Bhith smachdail mu’n mhal air tuaith.*¹⁴⁴

This suggests that a number of highland and island chiefs in Skye and its vicinity were raising rents. In his ‘Oran do Mhac Leoid Dhun Bheagain’ (A Song to MacLeod of Dunvegan) the poet Roderick Morrison makes the direct connection between conspicuous expenditure and rent increases:

*crios dealbhach o’n bhuth,
bogha’ chinn airgid is biugail oir-
’s fheudar faighinn sin da:
’s thig air m’fhearann-sa mal nas mo.*¹⁴⁵

The other principal effect of chronic indebtedness was psychological. Many chiefs became entrapped in long weary disputes with creditors, they could no longer travel freely without fear of arrest, they might be restrained by commissions and forced to undertake unpopular expenditure cuts and rent rises. It is no wonder that they often expressed feelings of despondency in their letters. Indeed it might be suggested that an atmosphere of gloom hung over many highland chiefs in the later seventeenth century. In their correspondence there is much talk of troubles and ruin. In 1666 Sir James MacDonald of Sleat wrote to Sir George MacKenzie of Tarbat: ‘thank God I can hold my head above the water’.¹⁴⁶ In 1684 Alexander MacKenzie of Coul commented to his brother Mr John MacKenzie, advocate, that ‘all the tyes of nature reason and religion oblige me to look to the interest and seafy of my own poore family’.¹⁴⁷ In 1688 the MacDougall chief and clan gentry thanked Lord Tarbat for being ‘the onlie instrument, under God, of keeping that familie from being extinct’.¹⁴⁸ In September 1697 Kenneth MacKenzie, a son of Sir William MacKenzie first baronet of Coul, wrote that ‘as dismall unfortunat and lamentable my own lot is in the world I

¹⁴³ NAS, GD 112/39/143/2.

¹⁴⁴ You did not adopt as your custom the habit of others here, namely, to be severe with the tenantry over rent. Mackenzie, *Orain Iain Luim*, 72-3.

¹⁴⁵ A finely fashioned belt from the shop, a silver-tipped bow and a golden bugle- that must be got for him: and a higher rent will be charged for my land. Matheson (ed.), *Blind Harper*, 70-1.

¹⁴⁶ Fraser, *Cromartie*, i, 16.

¹⁴⁷ NLS, Delvine Papers, MS 1329, fo 17-18.

¹⁴⁸ Fraser, *Cromartie*, i, 57-8.

regreat litle less my poor brother Collins condition who now since I am not in condition to help in a maner begges from door to door.’¹⁴⁹ Isobell the wife of the third earl of Seaforth reflected in a letter of May 1701: ‘I think it will be best to me to retein to the abay.’¹⁵⁰ She is referring to the debtors’ sanctuary of Holyrood Abbey. Her son, Kenneth, earl of Seaforth, who faced problems caused by indebtedness and political difficulties relating to his Jacobitism, complained that ‘all my mole hills is made mountains’.¹⁵¹ Finally, in 1698 Sir Donald MacDonald of Sleat wrote to Tarbat: ‘I have the honour and happiness of soe good a director to extricatt me out of the laberinth of thir difficuties’.¹⁵² Such evidence indicates that highland chiefs often expressed feelings of gloom and insecurity in letters. The accumulation of large debts and the ensuing financial problems appear to have been a prime cause of these proclamations of despair.

It is no wonder that some chiefs looked to the security of the past. In 1661 Sir John Campbell of Glenorchy wrote to his father-in-law William, earl of Airth:

This was my grandfather, Sir Duncan’s admonitione to me, and I could never heir nor know of any gentlemen in the Highlands quho’s prudence in the metter of governement of his estait was more extolled then his.¹⁵³

Lord Glenorchy, son of the first earl of Breadalbane, was also an admirer of estate policy in the days of Sir Duncan Campbell of Glenorchy (d.1631): ‘I long to secure our frontiers as Sir Duncan left them’.¹⁵⁴ The perception of decline; social, financial and political gave rise to a yearning for security which expressed itself in reflection on a golden age under Sir Duncan Campbell of Glenorchy.

Another response to the insecurity of the later seventeenth century can be discerned. When in May 1666 Hugh, eighth Lord Fraser of Lovat, travelled to Glenelg it was stated that he ‘resolves to go in highland cloaths as agreeing best with the place and genious of the people’ and he ‘encurraged them as it becam a chiften every way’.¹⁵⁵ This indicates that it was unusual for a Fraser chief to wear highland clothing at this time. He was attempting to make himself more like his people because social, cultural and political changes in the previous century had made him quite unlike them. Other chiefs tried to recreate themselves in a more ‘highland’ guise. According to Hopkins, Simon, eleventh Lord Fraser of Lovat’s distinctive characteristic was an intense self-consciousness and he worked to bolster claniship ‘with all the exaggerated attention to dress and other externals and the ultimate insecurity of an antiquarian

¹⁴⁹ NLS, MS 1332, fo 2.

¹⁵⁰ NLS, MS 1356, fo 14.

¹⁵¹ NLS, MS 1356, fo 120.

¹⁵² Fraser, *Cromartie*, i, 129.

¹⁵³ W. Fraser (ed.), *The Red Book of Menteith*, 2 vols (Edinburgh, 1880), ii, 162-4.

¹⁵⁴ NAS, GD 112/39/182/18.

¹⁵⁵ *Chron. Frasers*, 465.

revivalist trying to recreate a dead system'.¹⁵⁶ Grimble has pointed out that John, second Lord Reay, chief of the MacKays of Strathnaver, 'appears to have recreated the antique pattern of life of the former Lords of the Isles and the lesser Celtic patriarchs'.¹⁵⁷

*

The wearing of highland dress, looking back to a golden age and proclamations of despondency and decline all indicate a reflective and self-conscious group of individuals who were reacting to the insecurity of change. Their power and status was diminished by commissions and legal disputes and the new commercial orientation alienated them from their kindred. Indebtedness was at the root of much of this change and debt might be viewed as an acid dissolving the obligations of the past. The financial crisis precipitated by the combination of indebtedness and deflation was therefore a pivotal aspect in the process by which highland chiefs adopted the values of landlords. This interpretation is different from Dodgshon's view that the response of chiefs to the rising power of the Scottish Crown and integration with the market economy were the crucial determinants of the gradual transformation from chief to landlord.¹⁵⁸ The above argument does sustain the view of Macinnes that the Restoration era witnessed a fundamental shift in the nature and structure of clanship from traditionalism to commercialism.¹⁵⁹ However rather than a series of convulsions the intensity of transition was focused on the thirty or forty years following the mid century as chiefs responded to a debt deflation which led to a decline in their position politically, financially, socially and culturally and produced a backward looking, insecure, impoverished and melancholic group of men.

¹⁵⁶ P. Hopkins, *Glencoe and the End of the Highland War* (Edinburgh, 1986), 443.

¹⁵⁷ I. Grimble, *Chief of Mackay* (London, 1965), 176.

¹⁵⁸ Indebtedness is only briefly discussed. Dodgshon, *Chiefs to Landlords*, 36-7, 102-118.

¹⁵⁹ Macinnes, *Clanship*, 114.