Early modern London merchants and the mercantile community around 1700

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I, Xu Yang, confirm that the work presented in this thesis is my own. Where information has been derived from other sources, I confirm that this has been indicated in the thesis.

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Abstract

This thesis studies the London mercantile community at the end of the seventeenth century, a period of profound change in their social, political, and economic environment. It investigates who these merchants were, how they practised their profession, both individually and as a group, and how they maintained and expanded their networks under changing exogenous constraints. It demonstrates how the community built on existing institutions and developed new socioeconomic tools to manage transaction costs in their trade, utilising both formal and informal institutions that specialized in facilitating either personal or impersonal exchanges. Though primarily an historical study, the thesis draws on terminologies and analytical paradigms from other subjects, notably New Institutional Economics and Marxist Materialism, to display the organic and intricate networks that underpinned the trade and business of early modern London merchants and helped to shape them into a dynamic and interconnected community.

The London portbooks are used to establish a sample of 238 ‘active’ merchant firms, from which the individuals featured in later chapters are drawn. During this period the merchant class relied on different types of family networks, explored here though case-studies, to internalize and personalize the uncertainties and costs that must be otherwise managed in the open market, and to perpetuate and secure mercantile property rights. Later chapters investigate the more formal constraints and frameworks that require the coordination of mercantile organizations and associations, in the joint-stock model exemplified by the Bank of England and the reorganization of the East India Company, and in the more personal model of the regulated companies, taking the Levant Company and the Turkey merchants as examples. The last chapter discusses the operation of the mercantile facilities in Exchange Alley, showing how different facilities may have influenced the merchants’ networking behaviours, and how they would evolve towards a more impersonal mercantile network.

Key Words: London merchant, Mercantile network, Late 17th century, Family, Chartered Company

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The bulk of archival research of this thesis was undertaken at the National Archives, London Metropolitan Archives, British Library, and the Nottingham University Archives, so naturally, thanks are due to the archivists and other staff of these institutions.

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Finally, the constant and loving support from my family has been my everlasting source of comfort and strength in the writing process of this thesis. Without my parents and my wife, the completion of this thesis would be unimaginable.

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Abbreviations

EEBO	Early English Books Online
EIC	East India Company
L.M.A.	London Metropolitan Archives
NIE	New Institutional Economics
ODNB	Oxford Dictionary of National Biography
TNA	The National Archives
Rollco	The Records of London’s Livery Companies Online
SNA	Social Network Analysis

Chapter 1 Introduction

I. Presenting the Problem

Turn again, Whittington, Lord mayor of London.

– Bow-Church Bells

In 1600, London had a population of approximately 200,000. That number became 400,000 in 1650 and further increased to 675,000 in 1750.[1] This remarkable population surge of London is even more impressive if the population growth of England as a whole and that of Paris are taken into consideration. It is estimated that the population of England grew from somewhere around 4 million in 1600 to roughly 5.5 million in 1750 - a relatively moderate growth. And during the century between 1650 and 1750, when London continued its population explosion, the overall population of England only barely increased.[2] And although the English urban population had experienced an impressive expansion in the same period, no other cities could remotely match the growth of London which, in fact, was the greatest contributor to the said expansion.[3] No wonder King James I commented that 'Soon, London will become all England', probably with mixed feelings. On the other hand, the overall population of France, England's old rival, grew slightly from 19 millions in 1600 to 21.7 millions in 1750.[4] In the meantime, the population of Paris had reached about 400,000 by the beginning of the 17th century and was nearing 500,000 towards its end, but thereafter grew very little for a further century,[5] which is a bigger increase compared to the nationwide number but still largely dwarfed by the growth of London. Maybe, for France, the factors that culminated in her defeat by this 'nation

[1] E. A. Wrigley, A Simple Model of London's Importance in Changing English Society and Economy 1650-1750, *Past & Present*, No. 37 (Jul., 1967), p.44.
[2] E. A. Wrigley & R. S. Schofield, *The Population History of England 1541-1871, A reconstruction*, Cambridge: Cambridge University Press, 1993, p.575.
[3] Peter Clark, '*Introduction*', in Peter Clark (ed.), *The Cambridge Urban History of Britain*, Vol.II: 1540-1840, Cambridge: Cambridge University Press, 2000, p.27.
[4] Jan de Vries, *European Urbanization, 1500-1800*, London: Methuen, 1984, p.36.
[5] Ibid, p.38.

of shopkeepers' originated 200 years before Waterloo. By the early 17th century, London had been the dominating commercial hub of the nation and was to become the emporium of the world in the next centuries.[6] The incredibly rapid and at the same time disproportionate population growth is a clear manifestation of the capital transforming 'from a compact, coherent city to a sprawling and heterogeneous metropolis'.[7] It may not be a coincidence that although Richard Whittington was first elected mayor of London in 1397, his fabled career only made into literature in the early 1600s.

However, the question remains: since the natural growth rate of early modern London could hardly sustain her population as it was, what made the city in the 17th century and early 18th century become such a magnet whose ability to attract fresh blood significantly overshadowed the other urban settlements both within and without the British Isles?[8] Of course, this is too large a topic for a single thesis to cope with. One thing is certain though, that the commercial vitality of the City, which could be largely attributed to it being the most important seaport and the emporium of the kingdom, played a huge role in answering the question. In fact, by the early 18th century, nearly a quarter of the city's labour force was employed in the shipping and directly associated industries, not to mention the manufacturing, financial and even domestic sectors affiliated with overseas trading activities.[9] Therefore, the endeavour of this thesis will be to break down the secret of the successful story of London overseas trade by looking into the group of individuals and their personal and business contacts who were not only organizing this trade by providing capital and talents, but were also responsible for its everyday running with their honest or dishonest efforts – the London merchants and the mercantile community.

By the mid-18th century, the meaning of the word 'merchant' had been considerably narrowed and no longer simply referred to any trader in goods.[10] According to the definition of Dr. Johnson's dictionary, first published in 1755, a merchant is 'one who trafficks to remote countries'.[11] Nicholas Barbon, a financier

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[6] Perry Gauci, *Emporium of the World: the Merchants of London 1660-1800*, London: Hambledon Continuum, 2007, p.11.
[7] Vanessa Harding, Recent Perspectives on Early Modern London, *The Historical Journal*, Vol.47, No.2 (Jun., 2004), p.435.
[8] E. A. Wrigley. *People, Cities and Wealth*, Oxford: Blackwell, 1987, p.135.
[9] Jeremy Boulton, '*London 1540-1700*', in Clark (ed.), *The Cambridge Urban History of Britain,* Vol.II: 1540-1840, pp.320-326.
[10] David Hancock, *Citizens of the World, London merchants and the integration of the British Atlantic community, 1735-1785*, Cambridge: Cambridge University Press, 1995, p.9.
[11] Samuel Johnson, *A Dictionary of English Language, Vol.2*, Philadelphia: James Maxwell, 1819.

and the founder of the first insurance office in London, explicitly differentiated a merchant whose trade was 'selling' and 'merchandizing' from an artificer whose trade is 'making' and 'handy-craft'. In addition, he also pointed out that 'The Artificer is called by several Names from the sort of goods he makes… And the Merchant is distinguished by the Names of the Countrey he deals to, and is called Dutch, French, Spanish or Turkey merchant.'[12] In one of his treatises, Timothy Cunningham, an expert in both trade and law, gave a more detailed description of a merchant: he is not 'every one who buys or sells' but rather one who moves in the 'Way of Commerce' by 'Importation and Exportation'; hence he 'makes it his living to buy and sell, and that by a continued Assiduity, or frequent Negotiation in the Mystery of Merchandizing.'[13] Contemporaries thus drew us a picture of the merchants in the 17th and 18th century: professional traders involved in overseas trade following the way of commerce and specialized in the mystery of merchandizing - or as this thesis would like to probe, the rules of business.

Consequently, as it may be expected, working as a merchant during the period of roughly a century after the Restoration presented a set of peculiar challenges compared with domestic traders or manufacturers. Thomas Mun, one of the key figures of English mercantilism in the early 17th century, claimed that there were twelve crucial qualities required to be a 'perfect merchant', including the ability to handle complicated paper work, grasp market information, understand foreign language, policies and customs, and have a good knowledge of shipping and navigation.[14] However, possessing all these twelve qualities is obviously quite demanding if not entirely impossible for one individual, especially when his business mainly concerns foreign countries, which could be as distant as the Levant, India, and China. Even if we do not take the ever-changing commercial information and the fact that foreign princes and sultans could be erratic and unreasonable into account, all the paperwork, fund raising, and networking could all easily prove too daunting for a young merchant. If the aspirant was short of a proper education in business or initial capital which usually came together with certain other benefits if he was from a mercantile or related background, his future path in this competitive and risky game

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[12] Nicholas Barbon, *A Discourse of Trade*, London: Tho. Milbourn, 1690, pp.1-2.
[13] Timothy Cunningham, *The Law of Bills of Exchange, Promissory Notes, Bank-Notes, and Insurances*, London: W. Owen, 1760, p.2.
[14] Thomas Mun, *England's Treasure by Foreign Trade*, *or, the Balance of Our Foreign Trade is the Rule of Our Treasure*, London: J. G., 1664, pp.3-8.

would be unimaginable. Fortunately, the 'Mystery of Merchandizing' does not have to be resolved single-handedly. Even three hundred years ago, a young trader who was determined to build his fortune in the game of overseas trade would probably be able to flourish without having to master all the twelve crucial qualities as long as he observed the rules of business or, as Cunningham put it, the 'Way of Commerce'.

The rules of business may sound vaguely abstract or even ambiguous, but if we could borrow some basic terminologies from New Institutional Economics (NIE), the concept is much easier to comprehend. According to Douglass North, 'the rules of the game in a society, or more formally, … the humanly devised constraints that shape human interaction'[15] are called *institutions*. Therefore, the rules of business could be recognized as the economic, social, and political institutions which command the sailing of every single vessel in the sea of commerce. The institutional framework, a structured collection of institutions, thus, to a large extent, would determine the behaviours of London merchants when they were trying to survive and prosper in the arena of merchandizing. Consequently, the very purpose of this dissertation is to answer the following question: how the institutional framework, under which the London merchants of the late 17th and early 18th century were conducting their everyday business, defined and influenced the trade of both individual merchant and their mercantile networks?

II. Methodology and Sources

Although the objective of this dissertation was explained with borrowed terminologies from a school of economics, this study is not to be perceived as taking an interdisciplinary approach. Where economic writings, such as NIE and Marxists' theories, are referenced in the analysis, they are used to reinforce the historical analysis built on empirical and documented evidence instead of serving as underlying analytical frameworks. It is probably worth mentioning that NIE and its basic vocabulary coined by Douglass North were a starting point or major inspiration of this study, however, as essentially a piece of historical research, this dissertation will not systematically cover NIE and its most recent development and theorists.

[15] Douglass North, *Institutions, Institutional Change and Economic Performance*, Cambridge: Cambridge University Press, 1990, p.3.

The sources of this study serve to form the aforementioned empirical and documented evidential basis, and they largely fall into two categories: those focus on the individual merchants and those focus on their mercantile associations. Merchants are probably the most basic units in the world of trade, so it is necessary to look into the London merchants themselves and their mercantile networks before studying their interactions with the *ways of commerce*. First and foremost, this requires a sample made up of an appropriate number of active merchants who used London as a base for trading during the century from 1650-1750. Unfortunately, we are in a predicament: 'Merchants' archives have been lost, contemporary accounts of the volume of trade and its monetary value are fragmentary; contemporary statements on commercial matters must *a priori* be treated as subjective'.[16] Consequently, we have to rely mainly on customs accounts, and the English Port Books constitute a relatively more rewarding source to start with. The studies on these documents, especially those of D. W. Jones, are both comprehensive and enlightening.[17] Although no London port books after 1697 survive, we still have some informative and neatly organized books from the end of 17th century available. Most of these books give information on the merchants or their representatives who personally paid the customs, on the goods, duties and on the movements of ships. They cannot provide us with more specific information on the merchants' everyday trading activities or business contacts, at least not explicitly. But they are good at offering a list of individuals subject to the criteria applied by different researchers.

Having a sample of active merchants and some basic information on their trade is certainly far from enough to break down their business, let alone reconstruct their mercantile networks. Inventories and wills can help expand knowledge of these merchants' business as well as their commercial and social relations. Unlike the Port Books, PCC wills and officially documented inventories either created by the Prerogative Court of Canterbury or Orphans' Court of London are quite helpful in digging into the merchants' stories, especially their family networks, with one caveat: these sources can be very dispersed and sometimes unavailable for the merchants in our sample. Therefore, it is helpful to focus on certain more informative and traceable merchants and their social and commercial networks, although investigation of the

[16] Sven-Erik Astrom, *From Cloth to Iron, The Anglo-Baltic trade in the late seventeenth century, Part 1: The growth, structure and organization of the trade*, Helsinki: Centraltryckeriet, 1963, p.15.
[17] See the unpublished PhD thesis of D. W. Jones, *London overseas-merchant groups at the end of the seventeenth century and the moves against the East India Company.*

more obscure individuals could provide some insights into the overall welfare of the community and serve as supplementary case studies.

The study of individual merchants and their personal contacts is supported by examining their affiliated trading associations. Fortunately, unlike individual merchants, many of these organizations, those well-organized ones in particular, have left relatively abundant sources. Their court minute books include vital information on the trading companies ranging from everyday operation, admittance of apprentices, lawsuits concerning members, to election of company officials and the discussion process of critical decisions. For the joint-stock companies in particular, the subscription lists of their important capital flotations can shed some light on the structure of these companies which also contributed to the overarching mercantile network of early modern London. To merchants, investing in joint-stock companies was not only a method for capital accumulation and portfolio diversification; sometimes it also indicates collective choices thus underpinning the mercantile networks. Joining one or more regulated companies shared the benefits of networking, and it was also a prerequisite to legally trade in certain regions.

Investigating the less orthodox organizations such as the establishments in the Exchange Alley is much more difficult in terms of the abundance and variety of sources. In the absence of official documentation, contemporary literature and secondary writing will have to play the leading role on this stage. Daniel Defoe, John Evelyn and Thomas Mortimer[18] as well as *The City Mercury*, *The Spectator* and *The Gentleman's Magazine* have drawn a more vivid though maybe less reliable picture of the business, social and political lives of London merchants, and sometimes they are the only surviving primary sources for the study of the mercantile activities in the Royal Exchange and coffee houses.

[18] Defoe and Evelyn along with a few other diarists could provide us with some firsthand information. And writers like Mortimer were the early researchers or at least observers of London merchants in the 17th and 18th centuries. One of Mortimer's works, *Every man his own broker: or a guide to the Exchange Alley*, is based on his own experience of trading and speculating. It could be very helpful in studying the Royal Exchange and the coffee houses in the neibourhood.

III. Literature Review

As a major source of inspiration to this study, Douglass North's research and the NIE terminologies largely coined by him such as institutions, institutional frameworks, and transaction costs could be traced back to Ronald Coase and his two articles, 'The Nature of the Firm' (1937) and 'The Problem of Social Cost' (1960), which introduced a theory later interpreted as Coase Theorem and practically laid down the foundation of NIE.[19]

North himself was renowned for the effort of studying and applying NIE in a historical context. He developed a framework for economic history in which the driving forces in economic performances are institutions and institutional change. According to North, in the long term, changes in relative product and factor prices and in the size of markets would induce a set of fundamental institutional evolutions.[20] However, North's theory and application of NIE in historical studies still have potential to be improved, as he mainly examined economic performances over very long terms. This makes his studies lack historical details and less persuasive in explaining short-term economic shocks and transformation compromising their capability of explaining the continuity and changes in economic history.

North remarked that institutions could either be efficient or inefficient, that is to say it is uncertain whether these institutional changes could improve overall productivity. Sheilagh Ogilvie provided more arguments in this matter through her study on medieval and early modern guilds. She claimed that these cartels 'offered an effective institutional mechanism whereby two powerful groups, guild members and political elites, could collaborate in capturing a larger slice of the economic pie and redistributing it to themselves at the expense of the rest of the economy'.[21] In fact, this effectively applies to any organization aiming for monopolistic rents, including the chartered trading companies of early modern England. Ogilvie suggested that distributional conflicts provided a better explanation than the problem of efficiency for the core economic institutions of pre-industrial Europe.[22] Therefore, it is risky to

[19] Ronald Coase, The Nature of the Firm, *Economica*, New Series, Vol. 4, No. 16 (Nov., 1937), pp. 386-405. Ronald Coase, The Problem of Social Cost, *Journal of Law and Economics*, Vol. 3, (Oct., 1960), pp.1-44.
[20] D. North, *Institutions,* p.7.
[21] Sheilagh Ogilvie, The Economics of Guilds, *Journal of Economic Perspectives*, Vol.28, No.4 (Fall, 2014), p.170.
[22] Sheilagh Ogilvie, 'Whatever is, is right?' Economic institutions in pre-industrial Europe, *Economic History Review*, New Series, Vol.60, No.4 (Nov., 2007), p.649.

say the least to presume ‘real is rational and rational is real’ when discussing the institutions of early modern England, a country labelled by North as a successful example of institutional change.[23]

The wisdom of Marxism, another school of economic thoughts, is also borrowed for this study. In fact, the theoretical framework of Marxism is not so different from that of NIE, both in terms of their structures and their relations with classical economics thinking. Douglass North stressed that the Marxian framework ‘is the most powerful of the existing statements of secular change precisely because it includes all of the elements left out of the neoclassical framework: institutions, property rights, the state, and ideology’.[24] Many of North’s analytical norms and perceptions of economic history, particularly the relation between state and the protection of property rights, were heavily influenced by Marxist writers.[25] Engels’s acknowledgement of the function of the merchant class in an economy is particularly intriguing, as he recognized it as a class that ‘makes itself the indispensable mediator between two producers and exploits them both under the pretext of saving them the trouble and risk of exchange, of extending the markets for their products to distant regions, and of thus becoming the most useful class in society…’.[26] It could be surmised that the mercantile community on its own is but one section of the *ways of commerce* that manages uncertainties and thus facilitates exchanges in the economy. Although Marx himself suggested that the ‘merchant’s capital does no more than carry on the process of circulation’, and the merchant’s profit is made ‘upon alienation’, which could be largely attributed to the fact that Marx did not consider transaction cost as a fundamental element in economic operations, he did recognize the historical roles of merchant and merchant’s capital in transforming the traditional mode of production into the new capitalistic one in the early modern age. This was built on his assertion that the independent development of merchant’s capital ‘stands in inverse proportion to the general economic development of society’.[27] This insight presents a new lens through which potentially to inspect the mercantile community in the late 17th-century London, when a series of revolutionary innovations in both financial and commercial

[23] Douglass North, *The Rise of the Western World*, Cambridge: Cambridge University Press, 1976, pp.146-156.
[24] Douglass North, *Structure and Change in Economic History*, New York: Norton, 1981, p.61.
[25] Jon Wisman, John Willoughby & Larry Sawers, The Search for Grand Theory in Economic History: North’s Challenge to Marx, *Social Research*, Vol.55, No.4 (Winter 1988), pp.747-773.
[26] Frederick Engels, *The Origin of the Family, Private Property, and the State*, trans. Ernest Untermann, Chicago: Charles H. Kerr & Company, 1909, p.201.
[27] Karl Marx, *Capital*, Frederick Engels (ed.), Vol.3, 3rd Edition, London: Penguin Classics, 1992.

sectors were taking place. In addition, Marxists' perspective that family is a socioeconomic apparatus that only came into existence with the emergence of property rights and served to safeguard the property rights under a certain mode of production could be an enlightening theoretical approach in studying mercantile family networks, which will be explored in chapter 3.

Early modern London merchants, mercantile society and English overseas trade have received a great deal of attention in terms of secondary literature from economic, social and political historians, which is unsurprising given their rising importance in the economy of early modern England. Nearly a century ago, Ray B. Westfield thoroughly investigated middlemen in English business between 1660 and 1760.[28] Westfield remarked that there should be a fourth element beside the three commonly known factors, viz., land, labour and capital in classical economics, and that element is the organization and management of the means of production. The degree of perfection to which this element (what he called the 'mechanism of business') is developed, he argued, 'is one determining factor of the nature, volume, direction, and service of commerce.'[29] Westfield's study focused on the middlemen such as jobbers and factors active in the early modern English economy. However, a new window would potentially be opened, a window this thesis is very determined to find that could lead to revisiting of Westfield's 'mechanism of business'. Hopefully, in doing so, a great number of components that used to be inspected separately, but that are essential to the running of the giant machine called the early modern English economy, could be brought together and investigated under the same lens.

In the century after Westfield, abundant literature contributed to the same subject, and they have either provided context or offered peculiar perspectives through which the mercantile networks could be studied. Ralph Davis is renowned for his works on the general picture of English overseas trade between the 16th and 18th century. Davis's suggestion that English overseas trade went through three major waves of expansions before the Industrial Revolution and each of these expansions had its own merits and special features is particularly interesting.[30] During the period covered by this thesis, English foreign trade had just experienced the second expansion marked by the opening of the Southern market and was ready for the third

[28] Ray Westfield, *Middlemen in English Business, Particularly Between 1660 and 1760*, New Haven: Yale University Press, 1915.
[29] Ibid, p.119.
[30] Ralph Davis, *English Overseas Trade 1500-1700*, London: Macmillan, 1973, p.7.

one, which was marked by the growth of the colonial economy.[31] In the following chapters, this thesis will look into the impacts of the second expansion on the London mercantile community, and extra attention will be given to the merchants active in the Southern or Mediterranean regions when facing the trade disruptions and financial innovations induced by the Nine-Year War. Davis also scrutinized a number of commercial and financial innovations without which the trans-Atlantic trade could easily have collapsed. His study suggested that London merchants, supported by commercial factors and bills of exchange, were the key to ensuring trade between the capital and overseas land, especially the plantations in America.[32] The burden of organizing long-distance trade fell on the shoulders of merchants during these centuries thanks to these inventions and trading organizations.[33] However, it seems that Davis overestimated the functionality of individual merchants as economic agents, and thus somewhat neglected the mercantile community, making the average businessmen in his arguments more like merchants *with* a company instead of merchants *in* a company. This may be attributed to the fact that Davies tended to treat these mercantile organizations as exogenous rather than endogenous to the merchants and their networks. For the same reason, his claim that credit instruments only had limited contribution to economic development before industrial revolution left some room for debate, because the creations and innovations of bonds and joint stocks may have closer connections with the evolution and transformation of the mercantile community.[34]

Christopher French's study, on the other hand, is more focused on London. He examined overseas trade between London and Europe in terms of import, export and re-export.[35] French argued that although during the 18th century Europe ceased being a major trade partner of the capital, certain geographical regions were still distinguished, and like Ralph Davis, he also noted that the re-exports trade grew rapidly and constantly. More importantly, he paid extra attention to relations such as partnerships and consignments within the commercial community on both sides of the

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31 Ralph Davis, English Foreign Trade, 1660-1700, *The Economic History Review*, New Series, Vol.7, No.2 (1954), pp.150-166.
Ralph Davis, English Foreign Trade, 1700-1774, *The Economic History Review*, New Series, Vol.15, No.2 (1962), pp.285-303.

32 Ralph Davis, *The Rise of the Atlantic Economies*, London: Cox & Wyman Ltd, 1973, p.243.

33 R. Davis, *English Overseas Trade 1500-1700*, pp.41-45.

34 R. Davis, *The Rise of the Atlantic Economies*, p.249.

35 Christopher French, London's Overseas Trade with Europe 1700-1775, *Journal of European Economic History*, Vol.23, No.3 (Winter 1994), pp.475-501.

Atlantic. However, he did not explore this subject further and left the reader wondering exactly how these contacts could be established and maintained across such huge distance. His critical use of the Inspector General's Ledgers is also worth mentioning. This thesis benefited greatly from his effort in choosing the raw materials, and since this study is mainly based on Port Books, French's showcase of the Inspector General's Ledgers has proved to be very useful reference.

Literature on the study of the city itself is also rich in both volume and depth. Recent social historians such as Steve Rappaport and Ian Archer tend to value the stability and integration within the metropolitan society. Steve Rappaport showed that throughout the 16th century London did not experience either a pattern of pervasive instability or a single rebellious disorder nor was the ruling class seriously challenged by the city mob in a popular rising.[36] Ian Archer also believed that the main theme of social relations in Elizabethan London was stability or at least the pursuit of it. Archer noted the roles played by mercantile guilds and associations in securing the conformity and integration within the metropolitan mercantile community, and the livery companies in particular served as valves for stability.[37] Rappaport's and Archer's research demonstrate the potentials of mercantile associations in ensuring social unity among early modern London merchants.

Joseph Ward extended Rappaport and Archer's study to the 17th century and beyond by viewing the City and the surrounding areas as a single community with internal harmony.[38] His study of the livery companies makes it tempting to suppose that although livery companies stopped being monopolistic cartels, they still, to some extent, facilitated the trades of their members, thus potentially reducing transaction costs. For example, the membership of a company could be a certificate for a man proving his ability in his trade or the wealth and connections of his family, which would reduce measuring cost. By the mid-17th century, dual membership was enforced on multiple chartered trading companies, which means if an aspirant wanted to be admitted into, for instance, the Levant Company, he also had to be a freeman of the City, a requirement that could internalize the overseas trading community with the

[36] Steve Rappaport, *Worlds within Worlds: structures of life in sixteenth-century London*, Cambridge: Cambridge University Press, 1989, p.18.
[37] Ian Archer, *The Pursuit of Stability, social relations in Elizabethan London*, Cambridge: University of Cambridge Press, 1991, p.59.
[38] Joseph Ward, *Metropolitan Communities, Trade Guilds, Identity and Change in Early Modern London*, Stanford: Stanford University Press, 1997.

metropolitan business community.[39] However, it is still uncertain if the leniency showed by the company officials to offenders and the somewhat vague authority exercised by the companies over their members are the signs of true harmony. On the contrary, this could suggest that changes towards a different economic and social framework were taking place. Under this framework, more impersonal relations were replacing the personal bonds from the old guild system. And this thesis will argue that the process of the impersonalization of economic and social relations within mercantile networks was promoted by a variety of institutions and organizations. In fact, Ward has already briefly covered this, but he did not extend the discussion.[40]

Economic historians have arguably told a more comprehensive story on this subject. A. L. Beier and R. Finlay provided great general narratives on the economic history of early modern London and claimed that London was by no means a parasite, which only lived on its incredibly large population, but a dynamic engine of the national economy.[41] They attributed this to the population and market of London without particularly taking the commercial organizations and institutions into account.

Peter Earle has studied the London middle class including merchants and their apprentices.[42] Earle observed that the 17th and 18th century London mercantile world involved many inheritances, and accumulation was much like a familial business to the point that 'one has to conclude that the best way to wealth in Augustan London, as in most places, was to have a rich father'.[43] The fact that overseas trade had very modest return rates made accumulation even more important and further increased the barrier to entry. This made the old apprentice system vulnerable and more and more impractical since now even when someone had served enough years it was still extremely difficult for him to trade by himself if he was not supported by the capital of his family. Earle's study has shown the necessity of looking deep into the mercantile families, the family networks and business. If the early modern London mercantile community had somehow become a closed and well-connected self-perpetuating community, the merchant family, and associated institutions such as marriage and inheritance would be one of the key instruments that were closely

39 Cecil Carr (ed.), *Select Charters of Trading Companies: A. D. 1530-1707*, London: Selden Society, 1913, p. xli.
40 Ward, *Metropolitan Communities*, p.123.
41 A. L. Beier and R. Finlay, *London 1500-1700: The Making of The Metropolis*, London: Longman, 1986, p.1.
42 Earle, *The Making of the English Middle Class*; *A City Full of People: men and women of London 1650-1750*, London: Methuen, 1994.
43 Earle, *The Making of the English Middle Class,* p.141.

intertwined with not only the rise and fall of individual merchants' and their family's estates but also the course of the English foreign trade in general.

However, although Earle's study revealed the significance of business contacts, especially the familial bonds, he did not delve into this subject, leaving detailed research on mercantile networks for future scholars. Richard Grassby aimed to fill this gap with his study on early modern mercantile families and the business community in general. Grassby has an inclusive display of the structure and operation of the mercantile families not just in London but around the entire kingdom and her colonial possessions.[44] He also made a comprehensive study of almost all aspects of the early modern English business community and their enterprises.[45] Grassby preserved the tradition of English historiography by offering an empirically based analysis of the incentives, daily operations, and objectives of English merchants looking into their values, demography, family, and social, economic and political life styles, which benefited this study greatly with a plethora of empirical data and cases. Grassby values individual initiative and social structure in explaining the dynamics in the early modern mercantile community; however, it should also be noted that he did not nor did he intend to explore the underlying rules or framework, as indicated by the front page of his book: 'the only certainty in human history is that everybody dies'.

David Hancock's study on early modern transatlantic trade is particularly inspiring because his attention was often given to just a handful of active merchants and the relatively closed circles they comprised, which is a great contribution to the methodological approach of this thesis. He edited a collection of 686 letters written by a London merchant named William Freeman, who was originally a sugar planter and slave trader in the West Indies.[46] A large proportion of his letters were addressed to his contacts, factors and principals in the Leeward Islands after he himself moved to London. Hancock also sought to investigate the integrating process of the British Atlantic community during the middle decades of the 18th century by inspecting 'the actions of individuals working in the metropolis and promoting trans-Atlantic exchange'.[47] He inspected 23 London merchants who are specifically termed as 'associates' and clustered in four circles of partnerships centred with four individuals.

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[44] Richard Grassby, *Kinship and Capitalism: Marriage, Family, and Business in the English-Speaking World, 1580-1740*, Cambridge: Cambridge University Press, 2001.
[45] Grassby, *The Business Community.*
[46] David Hancock, *The Letters of William Freeman, London Merchant, 1679-1685*, London: London Record Society, 2002.
[47] Hancock, *Citizens of the World,* p.386.

These four individuals were thoroughly examined, from their origins to the everyday business of their three major interests: planting, slaving and government contracting. Hancock's study of a collection of merchant's letters and a few mercantile circles exemplifies his microhistorical approach to the study of a limited member of individuals and their networks. Similarly, this study will also consult the business and personal correspondence of early modern London merchants in reconstructing their mercantile networks and daily business operations within the institutional framework of the trading companies they had joined. It should be noted, however, that this approach, as Hancock himself admitted, runs the risk of lacking representativity.[48] In addition, there were far fewer interactions among Hancock's four circles of merchants than one might expect, making his narratives read more like four separate stories than a consolidated one. This study will try to remedy these by building samples from a comprehensive database – the Port Books - and try to probe into the underlying rules that framed the merchants' networks.

Perry Gauci is known for his contribution to the study of early modern London mercantile networks and the delicate relationships between merchants and government.[49] Gauci based his observations on a sample comprised of 850 merchants, a larger and more comprehensive database than those used in similar studies. Thanks to the generosity of Dr. Gauci who is willing to share the said database, this study benefited greatly from the detailed and well-organized information on each constituting merchant. It was largely from this information that the missing links (in terms of personal details of the merchants in the sample used in this study) could be filled in, and the same information also served as the ground materials for Gauci's investigations on the intricate networks of early modern London merchants and merchant politicians. He observed that in the late 17th century, the mercantile population of London concentrated into the eastern half of the city, 'obviously drawn there by the primary sites of overseas commercial activity' such as the Royal Exchange, the customs house and the post and insurance offices.[50] This distribution also correlates to that of the occupational groups with whom merchants had daily contact: the factors, brokers, and Exchange men. Furthermore, since the British state was becoming more efficient and powerful from the 16th century onwards, overseas

[48] Ibid, p.14.
[49] See Perry Gauci, *The Politics of Trade, the overseas merchant in state and society, 1660-1720*, Oxford: Oxford University Press, 2001; and Gauci, *Emporium of the World.*
[50] Gauci, *The Politics of Trade*, p.27.

trade was increasingly seeking support from the government, both the Crown and the Parliament. Petitions were frequently made; powerful friends at court were desirable, and lobbying was always going on. The late 17th century had seen a fierce exchange of conflicting ideals and proposals which would unprecedently influence the financial and commercial system of the kingdom.[51] Gauci's study, which is particularly helpful in deciphering the incentives of the chartered companies as mercantile organizations, zoomed on the continuous dialogue between the City merchants and their governing authorities. This thesis will make an attempt to look into the more detailed and specialized walks of the early modern London mercantile communities including the family networks, the prominent mercantile associations at a vital historic moment, and the mercantile influence on several key establishments on the Exchange Alley, which will hopefully contribute to the field already decorated by the studies of historians such as Perry Gauci.

The innovations brought into the English financial system in the late 17th century and early 18th century which is known as the financial revolution have drawn attention from both political and economic historians. What was at first induced by the fiscal needs of the state evolved into a series of impactful events which not only transformed the public borrowing system and the relations of the Crown and Parliament but also remodelled the rules under which London merchants and mercantile associations conduct their financial business. Many of the aforementioned writers had more or less touched this subject. However, it was arguably Peter Dickson who first gave the financial revolution a comprehensive look.[52] Dickson thoroughly examined the development of the system of public borrowing which enabled Great Britain to emerge as a world power in the 18th century. Dickson provided us with an extensive yet detailed picture of the financial innovations that took place in a roughly 60-year period, which laid good groundwork for this study. More importantly, Dickson considered the restructuring of business organizations, especially the evolution of the joint stock companies, as one of the key components of this game changing event, which inspired later scholars on this subject.

[51] On the formation of the British state and government, John Brewer's *The Sinews of Power* provided a very clear picture. And about the Crown's authority in the financial revolution which deeply influenced both the state and London merchants, see Bruce Carruthers' *City of Capital: Politics and Markets in the English Financial Revolution*, Princeton: Princeton University Press, 1996.

[52] P. G. M. Dickson, *The Financial Revolution in England: A Study in the Development of Public Credit, 1699-1756*, New York: St. Martin's Press, 1967.

D. W. Jones also started with the Crown's fiscal needs arising from the war with France, but he then turned his focus to the impact of the war on London merchants: it prompted a new wave of free trade movements culminating in the reorganization of a number of chartered companies including the establishment of the New East India Company and its eventual merge with the old one. Jones observed that due to the operations of certain commercial institutions such as the bills of exchange, London merchants, with the noteworthy exception of the Levant merchants, tended to specialize either in import or export, and the wealthy import houses used to finance the exporters by trading these credit instruments thus creating a specialized and dynamic financial-commercial networks.[53] Because of the war disruption, London merchants needed diversification of investing outlets, which was the driving incentive for the fierce attacks on the monopolistic rights of the East India Company. The alliance of these merchants and the East India interlopers led to the flotation of the new Company and was partly responsible for the formation of the Bank of England. Jones's study is another great inspiration to this thesis in investigating the fundamental rules of business which underlined the reorganization of the East India Company and the conflicts within the London mercantile community. His approach using network study and the creative use of London port books are also crucial to this study.

Henry Roseveare and Anne Murphy's works on the study of the Bank of England and the origins of the English financial markets provided another perspective to understanding the financial revolution. Murphy examined London's first stock market boom in the late 17th century, which gave birth to more than a hundred joint stock companies in just about ten years. She also investigated the investors, of which a group of London merchants constituted an essential part, and the operation of the English financial market in its formation.[54] Roseveare went even further back into the Restoration and investigated the relations between the Crown and its merchant creditors.[55] They both asserted that the driving force of the financial revolution was not the developments in public finance and the importance of the Bank in its earlier days was really based on its joint stock characteristic. Both of these studies assisted this thesis with invaluable qualitative and quantitative data as well as archival

[53] D. W. Jones, *War and Economy of William III and Marlborough*, New York: Basil Blackwell, 1988, p.262.
[54] Anne Murphy, *The Origins of English Financial Markets: Investment and Speculation before the South Sea Bubble*, Cambridge: Cambridge University Press, 2009.
[55] Henry Roseveare, *The Financial Revolution 1660-1760*, London: Routledge, 2013.

references in explaining the structure of the early English financial market and its players. However, it should be noted that the incentives of the early investors, especially the merchants and merchant financiers, were not only channeled by new constitutional institutions after the Glorious Revolution, the credit could also be given to the *ad hoc* institutional frameworks, even the seemingly flawed ones, as Murphy admitted that London's early investors 'did not operate in a vacuum'.[56] To give one example, Nuala Zahedieh, when she studied the overseas trade of London with the English colonies in Americas, remarked that reputation was essential to late 17th century London merchant financiers. Their financial services and, to a large extent, the overseas trade *per se* was 'built on a universally accepted code of conduct, which had evolved alongside an increasingly commercial society, combining rules of reason and religion, interest, and honour.'[57] These codes of conduct could be considered as important components of the rules of business under which London merchants were conducting their business and investment.

In terms of study more focused on the commercial organizations of early modern London, the edited work of Ian Gadd and Patrick Wallis depicted the contours of the development of London livery companies.[58] Mortimer Epstein investigated the origins and the early history of the Levant Company on which this study is mainly based for its discussion of the regulated companies, whereas Alfred Wood had a comprehensive look at the Levant Company, from the grant of its first charter to its eventual decline and disintegration in 1825. Epstein examined the early participation of English merchants in the Eastern trade and revealed their incentives of setting up a new regulated company whose characteristics in nature were not so distinguished from tradition guilds.[59] Following Epstein's steps, Wood expanded the study by demonstrating the structure of the Levant Company, its organization, and how it could regulate its members' business and establish factors and factories not just in the Levant but also across the entire Mediterranean.[60] Their research assisted this study in providing a general picture of the trade of the London Turkey merchants under the regulation of the Levant Company; they also helped to fill the gap of knowledge in

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56 Murphy, *The Origins of English Financial Markets*, p.6.
57 Nuala Zahedieh, *The Capital and the Colonies: London and the Atlantic Economy 1660-1700*, Cambridge: Cambridge University Press, 2010, p.94.
58 Ian Gadd & Patrick Wallis (eds.), *Guilds, Society and Economy in London, 1450-1800*, London: Centre for Metropolitan History, IHR, 2002.
59 Mortimer Epstein, *The Early History of the Levant Company*, London: George Routledge & Sons, 1908.
60 Alfred Wood, *A History of the Levant Company*, London: Frank Cass & Co., 1964.

terms of empirical evidence, as the primary sources this study draws on mainly cover the life and business of the merchants and their factors in the Company factory of Aleppo.

Literature on other regulated companies also provided important references for unveiling the management and operation of this particular type of early modern mercantile association and helped to complete the stories of the sampled merchants, not all of whom focused their interests in the Levant trade. Kenneth Davies' study indicated that the Royal African Company was not only capable of providing cheaper slaves, it was also a selling-agent for West Indies planters.[61] As for the Eastland Company, R. W. K. Hinton has presented an informative study on its rise, development and fall. He observed that by the second half of the 17th century, specialization by trading areas was the rule for the London mercantile community, and the possession of information was far more important than that of commodities, at least for the Eastland merchants – they only needed to know a short list of cloth for export and Eastland goods for import. The Company was a great help on this front as it 'performed a useful service for its members by disseminating information about these matters'.[62] He also suggested that in a newly opened market, regulated companies could provide their members with other benefits such as rights of warehouse, freedom from taxation and security of property through diplomatic negotiations – something that was also true for the Levant Company and could be considered as one key raison d'être of regulated companies.[63]

The establishments in Exchange Alley also substantially influenced the trade and daily business of early modern London merchants. The Royal Exchange is mentioned in almost every study on London merchants and overseas trade. Ann Saunders has provided an interesting work on this subject. The Exchange was designed to be 'a commodious Edifice for the Convenience of Merchants to meet in', an arena for merchants to grasp commercial information and build contacts. To fulfil this duty, it was assisted by an astonishing number of tools, from its special bills of exchange system to insurance offices, and from advertisement to printed news services.[64] Visiting the Exchange was a daily routine for nearly all merchants, and there was also

[61] Kenneth Davies, *The Royal African Company*, London: Longman, 1957, p.323.
[62] R. W. K. Hinton, *The Eastland Trade and the Commonwealth in the Seventeenth Century*, Cambridge: Cambridge University Press, 1959, p.57.
[63] Hinton, *The Eastland Trade and the Commonwealth*, pp.160-161.
[64] Ann Saunders (ed.), *The Royal Exchange*, London: London Topographical Society, 1997.

another reason to frequent the Exchange: the coffee houses scattered in the Exchange Alley. From the works of A. Ellis, Bryant Lillywhite and Brian Cowan, we learn that they were important meeting places for the London middle class, hubs for information and networks, professional markets for professional traders – Lloyd's for shipping news and insurance underwriters, Garraway and Jonathan's for stockbrokers.[65] Markman Ellis also pointed out that the London coffee houses owed their origins to the Turkey merchants as they tried to replicate the exotic and unique networking experiences from their services in the Levant factories, which shows that the very nature of these lively and noisy establishments was deeply connected to the mercantile needs for networking.[66] This thesis will discuss them as an 'underground Exchange' and try to identify and analyse the mercantile influence on and connection with the establishments on the Alley.

IV. Structure of the Thesis

The next chapter presents the sample of merchants upon which the later research chapters are based. As previously indicated, this study focuses on individual merchants and rules of business by which their mercantile activities were defined, regulated, and promoted; however, the London mercantile community in the late 17th century was too colossal to be covered in detailed by one thesis. Therefore, it is necessary to build a sample and database of representative merchants. Mainly based on the Port Books and the PCC wills, this study extracts a sample of individuals that could reflect the key characteristics of the London mercantile community. The method of creating the sample will be set out in Chapter 2, which will also include a general breakdown of the sample by discussing several features and patterns of the business of the sampled merchants and how these featured characteristics could be compared against the wider London mercantile community.

After presenting the database of this study, the following three chapters will discuss three sets of rules of business separately and examine how exactly these rules would help shape the manners in which the said merchants conduct their trade.

65 See A. Ellis, *The Penny Universities: a History of the Coffee-Houses*, London: Secker & Warburg, 1956, Bryant Lillywhite, *London Coffee-Houses*, London: George Allen & Unwin, 1963, and Brian Cowan, *The Social Life of Coffee,* New Haven: Yale University Press, 2005.
66 Markman Ellis, *The Coffee House: A Cultural History*, London: Weidenfeld & Nicolson, 2004, pp.25-41.

Chapter 3 mainly investigates mercantile families and business partnerships supported by family bonds. Thomas Mun may have rightly pointed out the key qualities to becoming a perfect merchant, but the first and foremost questions to ask, however, are: how did these qualities pass from one generation to the next, and how could merchant's capital in the early modern age be perpetuated, which might be an important incentive for the merchants' capital accumulation and profit maximization activities. In order to answer these questions, one has to realize that by the time of Restoration, overseas trade in London was, to a very large extent, an established and protected business. As already noted, Peter Earle indicated that the mercantile world of London at the turning point of the 17th and 18th century was heavily involved with inheritance, and the successful accumulation of a merchant was deeply related to his family background.[67] This was partly due to the fact that in lieu of modern business schools, the training and education in the 'mystery of merchandizing' was almost monopolized by guildlike organizations and their apprenticeship systems. Would-be apprentices often found their masters with the help of their parents' social and business connections, and historians have noticed a marked rise over time in the social and economic status of the fathers of young men who took up apprenticeships in the guilds and trading companies of London.[68] In addition, before modern banking and credit systems were established, the amount of available working capital for a starting merchant was closely related to his background. Furthermore, more often than not, family formed the basis of many business connections and partnerships. Blood ties including father and son, uncle and nephew, brothers, and marriage alliances, could prove to be effective and indispensable in internalizing externalities and manage uncertainties. As indicated by Marxist writers, family is a socioeconomic apparatus designed to protect property rights under a certain mode of production. Therefore, the implications of the early modern mercantile family might be found in its role of securing and perpetuating merchant capital and mercantile property rights. This chapter will unfold the story of the early modern London mercantile family by looking into three distinct cases, each with its own merit: the Gould family, a typical family firm passed on from fathers to sons for at least three generations; the Vernon family, which lacking direct heirs relied on extended family and nephews to continue

[67] Earle, *The Making of the English Middle Class*, p.141.
[68] Ibid, pp.86-91.

its business; and the Gore family, an outstanding example of utilizing marriage alliances to secure the continuation of its mercantile estates.

Chapter 4 and 5 inspect the structured framework underlined by the joint-stock companies and regulated trading companies respectively, and Chapter 5 will also cover an analysis of the Royal Exchange and the London coffee houses. By providing superstructures, the trading companies encouraged their members to work as an endogenous community. Not so different from the doctrines of social contract coined by the Enlightenment thinkers, the moment a merchant took membership, he forfeited part of his personal liberty and was compensated by the perks provided by an organized association constituted by a group of individuals who shared certain interests and were willing to make the same compromises by following the rules and regulations of the companies. These rules and regulations defined the process of negotiating and enforcing trade agreements made by members with both nonmembers and their brethren from the same companies.

The late 17th century saw a series of financial and commercial innovations induced by the Crown's military campaigns on the continent, which also promoted organizational restructures. The joint stock boom brought more than 80 new joint stock companies, the Bank of England included, into existence by 1695.[69] The East India Company was also forced to accept the emergence of a rival company thanks to the opposition faction in 1697. Under the influences of the military conflicts and the free trade movement, the trade protected by traditional and chartered monopoly rights of the regulated trading companies also experienced mounting disturbances. It was a time both cursed and blessed, with challenges and opportunities. The London mercantile community and the trading companies would have to adapt to the changes, and along with this, a new structured framework was born which would influence the business and lives of everyone in the community, from the East India interlopers and shareholders to the Turkey merchants and Levant factors. These two chapters will focus on the stories of two joint-stock companies: the founding of the Bank of England and the New East India Company, and one regulated company: the Levant Company, its members in London and its factors in the Levant factories, to demonstrate a picture of the London merchants and the mercantile community in this time of change.

[69] W. R. Scott, *The Constitution and Finance of English, Scottish and Irish Joint-Stock Companies to 1720,* Vol.1, Cambridge: Cambridge University Press, 1910, p.327.

Merchants are, by nature, middlemen who were much needed in a time when industry was widely dispersed with little local specialization, poor means of communication and transportation, and seasonal activity.[70] Thus merchants, as middlemen, have to keep the source of all kinds of business information in their reach, as 'traders settling themselves in a new or untried situations remote from the centre of business are found less stable'.[71] The poll tax returns of the year 1692 show a clear pattern of mercantile population concentrated into the eastern half of the City where situated the primary sites of overseas commercial activity including the Royal Exchange, the custom house, the post and insurances offices, and the Blackwell Hall for textile merchants.[72] Proximity of residence rendered London merchants great convenience in maintaining close contact with the beating heart of the London commercial arena. An observation made by John Vernon, an active merchant who came from a prominent mercantile family, clearly captured the constant thirst of himself and his fellow merchants for information: 'a trader's thoughts ought to be possessed of the best seasons for buying goods, the nature and qualities of the goods he buys, the times and places that are best for selling his goods, the usages and customs, with monies and exchanges of the nations he trades unto'.[73] George Boddington, a leading Turkey merchant, moved to Newington Green from Lothbury, but only as long as he could still 'come to London in the morning to follow my affairs', and he moved back to St. Helen's by 1692.[74] Therefore, Exchange Alley, with the bustling Royal Exchange and the crowded coffee houses became the facilities that were probably most frequently by the merchant class. And we will see that the history of the London coffee houses was closely intertwined with one of the most prominent groups of merchants, as the very first establishment owed its existence to the Levant community.

It should be kept in mind that although the London merchants in the late 17th century and early 18th century may have had their favorite walks in the Exchange or the preferred coffee houses in the Alley, they were by no means bound to stay in one place. Similarly, when the winds of trade blew in favour of profits, these merchants were also free to join any trading companies provided they met the entry

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70 Westfield, *Middlemen in English Business*, p.127.
71 Gauci, *Emporium of the World*, p.31.
72 Craig Spence, *London in the 1690s, A Social Atlas*, London: Centre for Metropolitan History, 2000, p.135.
73 John Vernon, *The Compleat Comptinghouse*, London: J. D. for Benj. Billingsley, 1678, p.236.
74 Gauci, *The Politics of Trade,* p.36.

requirements. The fact that merchants were allowed to hold memberships of multiple business associations enabled the creation of sophisticated and dynamic mercantile networks, but more importantly, it reminds us that these early modern associations were not structured nor worked in the same way as the corporations and firms today. These mercantile associations did not and could not organize the overseas trade like modern corporations. Merchants were not serving the companies, instead, the companies were serving the merchants. London overseas traders exploited the advantages of being members of the joint stock and regulated companies, and in a similar fashion, of their very own families, in search of specific benefits entailed in specific set of rules of business.

Following these two chapters, a conclusive chapter will recapitulate and clarify the implications of the changes and continuities investigated in this thesis while having a look at the financial adventure of Sir James Oxenden, a gentleman and member of the peerage who, although being the nephew of a Governor of Bombay of the East India Company in the mid-17th century, probably had never been a part of the mercantile community himself.[75]

[75] History of Parliament Online, https://www.historyofparliamentonline.org/volume/1690-1715/member/oxenden-sir-james-1641-1708#footnote1_3ebfbb1, (accessed 28th November, 2020)

Chapter 2 Creating and Analysing a Database of Early Modern London Merchants

As the seat of wealth and power, early modern London has attracted several of the most valuable studies of English politics, society, and economy. Many of them have focused on the capital's middle class and above, which inevitably overlapped with the merchant community. A great deal of this literature proceeded by creating a database consisting of certain number of individuals to undertake extensive prosopographical analysis with different emphases. Henry Horwitz contributed to the controversy of the 'mess' of the middle classes during the period 1694-1714 by establishing a sample of 128 City leaders.[1] Gary De Krey created a much bigger sample of 1339 active London 'merchants' from the 1690s to study the constitutional development within the capital.[2] Horwitz focused on the social advancement made by big City merchants while De Krey was more interested in the development of early party politics. Influenced by these two scholars, Perry Gauci examined the roles played by London merchants in shaping the social and political changes of this Kingdom from 1660 to 1720 using a database of 850 individuals.[3] In a much more ambitious project, Richard Grassby employed a database of 28,000 London businessmen between 1580-1740 to comprehensively investigate their family dynamics.[4] Different writers applied different sources to approach their objectives. Horwitz built his database mainly with the help of edited sources and documentation of several key financial and trading organizations of the time such as the Bank of England and the East India Company. De Krey heavily relied on the records of livery companies while Perry Gauci started with the poll taxes levied in the 1690s. In contrast, Peter Earle explored the business as well as civic lives of the London middle class with his sample of 375 individuals, built on a sample of Orphans' Inventories and the Common Serjeants' Books.[5] Because of the scale of Grassby's research, he consulted a broad range of interrelated record sets.[6]

In common with the above literature, this study has sought to construct a meaningful sample, organized as a database, with which to investigate the London merchant community

[1] Henry Horwitz, The mess of the middle classes revisited: the case of the 'big bourgeoisie' of Augustan London, *Continuity and Change*, 2(1987), pp.263-96.
[2] Gary De Krey, *A Fractured Society, the politics of London in the first age of party 1688-1715*, Oxford: Clarendon Press, 1985.
[3] Gauci, *The Politics of Trade,* pp.18-38.
[4] Grassby, *Kinship and Capitalism.*
[5] Earle, *The Making of the English Middle Class*.
[6] Grassby, *Kinship and Capitalism*, p.22.

and its mercantile networks. In order to identify merchants who were active in overseas trade during the period covered, customs accounts, i.e., port books of London, are used as the core source. In addition, they are complemented with personal records (e.g., wills and inventories) and documentations of formal organizations (e.g., minute books and subscription lists of the East India Company). This chapter will demonstrate the main sources on which this database is created, and analyse the database in order to derive some generalizations about the characteristics of the merchants in it.

I. Port Books, the Main Source of Creating the Database

The port books are locally created records of customs duties paid on overseas trade. Nationwide, they cover 1565-1799 but for many ports they stop well before 1799.[7] In 1564, a Book of Orders was issued by the lord treasurer requiring customs officials to make all their entries in special parchment books sent down to the ports from the Exchequer and to return them at stated periods.[8] A Select Committee of the House of Commons on Finance reported unfavourably on the port books in 1797, claiming not only that the series was defective but that even those books which were then in existence 'are of no practical possible utility to the public'; and they recommended 'the immediate discontinuance of this needless expense'.[9] In consequence of this recommendation the further issue of blank port books was stayed in 1799. London, the hub of the kingdom's trade, earned some extra attention from the government. The series of London Port Books was considered 'very incomplete' in comparison to the Ledgers of the Inspector General of Imports and Exports that commenced in 1696, which 'in a far more convenient form' demonstrated all the exports and imports of all kinds of good between London and foreign countries, India, and the Colonies, with the estimated value of each class of goods exported and imported in each year.[10] Given such considerations, the London Port Books beginning from the year 1697 were scheduled to be destroyed at the end of the 19th century.

However, while the Ledgers may be able to offer better services to the customs and financial ministries of the Crown, the Port Books still have their unique advantages over the

[7] Class reference of the Port Books: TNA E 190.
[8] A reprint of the order could be seen in B. Y., *The Modern Practice of the Court of Exchequer, in prosecutions relating to His Majesty's revenue of the customs. By a gentleman of the Exchequer-office*, London: In the Savoy, 1731, pp.406-446.
[9] *Reprint of statutes, rules and schedules governing the disposal of public records by destruction or otherwise, 1877-1913,* London: Darling, 1914, pp.152-153.
[10] Ibid., pp. 155-156, London Port Books created from 1697 to 1799 were destroyed in 1896. Class reference of the Ledgers: TNA CUST 2.

Ledgers. First and foremost, it is essential to acknowledge that the Port Books kept records on a micro level while the Ledgers are intended to reveal the universal statistics of all trade. Besides, the Port Books offer historians a possible method of identifying mercantile partnerships by searching for associated names in the entries. This is crucial to this study since partnership is one of the key aspects in understanding the mercantile networks. Therefore, the Port books are an invaluable source for historical studies that are dedicated to investigating individual merchants whose names are buried in the easily audited totals and values.

Unfortunately, however, only about 700 London books for the period 1565-1697 have survived the hazards of time and are lying in the National Archives. Although 700 may sound like a big number, quite a sizable portion of them are incomplete or too damaged to be viewed by the public. The surviving London Port Books, due to the complexity of the customs administration and the possible problems in everyday practice, must be used more selectively and with caution.

Firstly, although the Port Books did categorize the classes of goods in their own way, they were not so neatly organized by trade goods compared with the Ledgers of the Inspector General. Different commodities were recorded separately in different books in accordance with the customs they were subject to, and there were four main sets of duties: the great customs, the petty customs, the subsidy of tunnage and poundage, and other impositions.[11] Each customs official would only enter in his own book the details of a cargo that concerned him. This system is capable enough to record most imports and exports categorically; however, it could be a little problematic when tracking re-export, since they are mixed with all the other export goods. To reconstruct the re-export trade and identify merchants in the re-export trade, researchers would have to look into both the import and export books. It should also be pointed out that official customs records could not document the potential re-export trade lost to customs duties, because some merchants might want to trade directly between foreign countries for the sole purpose of avoiding the customs and subsidy paid both inwards and outwards for re-shipping from London.[12]

Secondly, owing to the different duties applicable to aliens and denizens, the customs officials would have to distinguish the individuals who made the transactions or shipments in terms of their identities in the City. This practice offers historians an opportunity to focus

[11] Neville Williams, '*The London Port Books*', in F.W.M Draper (eds.), *Transactions of the London and Middlesex Archaeological Society*, Vol. 18, Part 1, London: Bishopsgate Institute, 1955, p.17.
[12] F. J. Fisher, London's Export Trade in the Early Seventeenth Century, *The Economic History Review*, 1950, New Series, Vol.3, No.2, (1950), p.160.

their study on London merchants or foreign merchants who had trade relations with the port of London. However, it is noteworthy that the port books could only record the legal status of an individual, which means a merchant who did not reside in the City or the country but legally acquired the citizenship of London would be designated as denizen. This could potentially complicate the situation, as according to the contemporaries, naturalized alien merchants may only keep chambers in England and leave most of their business connections abroad.[13] Nonetheless, this thesis will include naturalized alien merchants in the sample, since, regardless of whether they were alien-born merchants or not, they could still be an organic part of the London mercantile community. However, it should be kept in mind that their economic and social behaviours may vary from the English-born London merchants.

Furthermore, all types of official documents recording trade and customs duties were facing a common enemy – illicit trade, and the port books were by no means an exception. Although the nature of contraband trade meant that it was extremely hard to trace let alone to be thoroughly examined, it has not been neglected by historians. As early as 1909, Charles Harper ventured into this subject and claimed that smuggling was an assertion of popular rights in opposition to the heavy customs duties imposed by the Crown due to its wars on the Continent since the end of the 17th century.[14] This somewhat romantic suggestion is naturally open to debate, but the massive scale of the contraband trade was hardly deniable. A contemporary in 1733 estimated the share of smugglers in English commerce with France and Holland as equal to a third of the legitimate traffic.[15] However, even this astonishing estimate is considered by modern economic historians as 'very conservative'.[16] It seems that the majority of the literature on this subject has been focused on the 18th century, and although there is evidence of a coordinated smuggling network in the 1690s, it is considered that smuggling was a lively but rather haphazard activity before that.[17] In any case, smuggling along the southeast coast by the end of the 17th century was by no means a negligible aspect of English overseas trade. Especially when the special features of this age such as the political conflicts after the exile of the Stuarts and the everlasting war of England and her allies against France that disordered regular commerce and trade are taken into

[13] Daniel Statt, The City of London and the Controversy Over Immigration, 1660-1722, *The Historical Journal*, (Mar., 1990), Vol.33, No.1, p.51
[14] Charles G. Harper, *The Smugglers; picturesque chapters in the story of an ancient craft*, London: Chapman and Hall, 1909, p.4.
[15] G. N. Clark, *Guide to English commercial statistics, 1696-1782*, London: Royal Historical Society, 1938, p.114.
[16] G. D. Ramsay, The Smugglers' Trade: A Neglected Aspect of English Commercial Development, *Transactions of the Royal Historical Society*, Vol. 2(1952), p.135.
[17] Paul Monod, Dangerous Merchandise: Smuggling, Jacobitism, and Commercial Culture in England, 1690-1760, *Journal of British Studies*, Vol. 30, No.2 (Apr., 1991), p.152.

account, some London merchants could well have been involved smuggling in one way or another. Clearly, the absence of this side of the story from the Port Books will affect our reconstructed picture of London merchants' mercantile networks.

Last but not least, it is important to keep in mind that information essential to the researchers but that did not interest the customs officials may be absent from the port books. This includes the merchants' personal details such as their ages and company memberships. There were cases where two merchants shared a surname, but it is difficult to tell whether they were related or how they were related by looking into the port books only. Due to these disadvantages, it is necessary not to forget that although port books are valuable sources to identify active overseas merchants, for the purpose of this study they are better used as bases to build a sample of merchants. To complete the information of merchants in the sample, secondary works and other primary sources have to be consulted. In addition, it is important to note that although the London Port Books normally cover one year of account starting at January and ending at December, as of the common practice for England before adopting the Gregorian Calendar, the books would mark the change of year after 25th March. Therefore, even though the starting date of one book would be marked as, for instance, January 1694, it is, in fact, January 1695 according to the calendar currently in use. Therefore, in this study, to avoid ambiguities, the book of 1695 will be referenced to as the book of 1694-1695.

With both the strength and weakness of the Port Books as a source in studying the early modern London merchants explained, now is the time to ask the following question: which Port Books should be used to build a sample and afterwards a database to research London merchants and their mercantile networks?

For this study, it is essential to track not only those active merchants but also their trading activities over a certain period of time. The return rate of overseas trade in the early modern time was, in fact, very modest. After taking contemporaries' assertions, individual merchants' account books and the poll taxes records into consideration, Richard Grassby indicated that the average rate of return for overseas merchants in the second half of the 17th century most likely ranged from 6% to 12%, and trades on smaller scales could have a slightly higher rate of return.[18] In addition, the risks in this business, either from natural causes or man-made failures such as embezzlement, were quite substantial as might be expected. In fact, at least in the first decades of the 18th century, the rate of bankruptcy due to career failure for London merchants was more than 15%.[19] Therefore, if we want to draw a

[18] Grassby, *The Business Community,* pp.234-242.
[19] Earle, *The Making of the English Middle Class*, p.129.

relatively comprehensive picture for the merchants and their contacts, it is better to have port books for consecutive years, because records made in any particular year could only provide a snapshot of the merchant community or individual merchants' trade.

Moreover, for the purposes of the sample, it is also preferable that these books should record the same customs duties and were created by the same or at least similar customs officials, so that not only were merchants in the books trading similar commodities, but also their entries were entered following the same system of bookkeeping. It turned out that there are indeed three London Port Books covering the three consecutive years between 1694 and 1697 that are still open to the public that meet the above requirements, and they all mainly covered textile goods exported by denizens. It is noteworthy that although the texts on the covers of these books read 'cloths and other goods', most of the entries only dealt with cloths, mainly Old Draperies and a number of New Draperies such as Rash, as the goods were supposed to be subject to the petty customs.

In addition, books from the same years but recording different customs duties provide an alternative set of individuals so that our sample will not be a simple collection of cloth exporters. Therefore, another three books are included to help the sample building: two books of wool and leather exported by denizens for the years 1695-1696 and 1696-1697, and a book of wine imported by denizens for the year 1696-1697. The following is a table of all six port books employed in this study with some detailed information:

Reference in TNA	Financial year	Customs Duties	Goods Covered
E190/151/5	1694-1695	Petty Customs	Cloths and other goods exported by denizens
E190/156/5	1695-1696	Petty Customs	Cloths and other goods exported by denizens
E190/156/7	1695-1696	Great Customs	Exported wool and leather[1]
E190/160/6	1696-1697	Petty Customs	Cloths and other goods exported by denizens
E190/160/7	1696-1697	Great Customs	Exported wool and leather
E190/160/2	1696-1697	Tunnage and Poundage	Imported Wine

Figure 2.1 Port Books Used in This Study

Source: TNA, Port Books database.

The books recording imported wine and exported cloth normally have 70-120 folios, and although the books for exported wool and leather are shorter, they still have about 30 folios. In average, there are 15 entries in one single page for the wine and cloth books so that the total number of entries in each of these books could reach as many as 3600. Entries in the leather books are very much more densely organized so that the books for the years 1695-1696 and 1696-1697 have 735 and 800 records in total respectively.

An entry in these books normally includes the following information: date of entry; name of the individual who made the entry, and his partner's name when applicable; the ship's destination or place of origin; the dues paid; the varieties and quantities of goods; and the name of the ship, or the name of her captain. The following is an example:

Novemb: 1697

Wm Hamond in Cha: Walton per Turky

2. lxiij: Long; ix Spa [nish] Clo[ths]: ………………… xii £ xvj s iij d

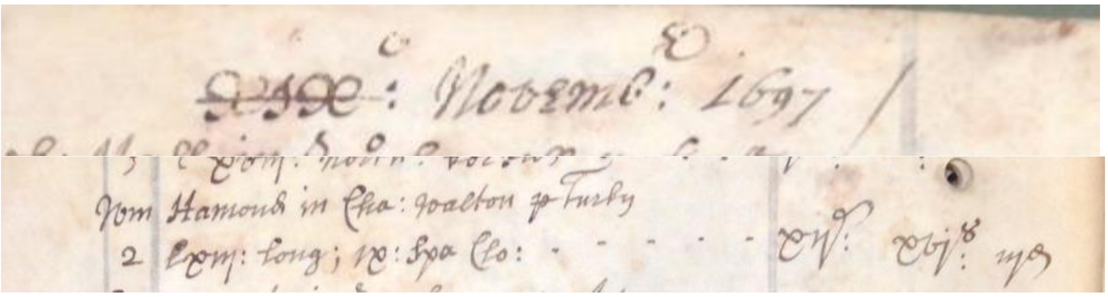

Figure 2.2 A Typical Entry in the Port Books

Source: TNA E190/160/6, folio 70B

This entry indicates that on 19th November 1697, a merchant named William Hamond sent a consignment in a ship under the command of captain Charles Walton to somewhere in Turkey. He exported 63 units of long cloths and 9 units of Spanish cloths, and he paid £12 16s. 3d. as duty. The number 2 before the record of his trading goods tells us that this was the second entry made on that date. The entries in leather and wine books are very similar to this example; only those in leather books almost all have the information of both the names of ships and their captains. It may be worth noting that the information on shipping destinations for the leather books seem to be less reliable, because there are too many *dittos* in this column, and they usually continue for months. Although one could argue that it is probably due to those voyages being arranged in groups or even in the same ships, the sheer number of *dittos* makes this section of the books suspicious. The possibility of the existence of such a practice cannot be overlooked, as the export of wool and leather by denizens is a much smaller trade in terms of scale judging by the port books, and not many ships were mentioned.

Moreover, it is important to note that it is the customs duties, as is provided by the port books, not the trade valuations, as in for example the retail or import and export prices or values, that is to be taken as an index for most of the analysis and comparisons drawn from the sample and databases in this study. This is essential because the English tariff structure, from the medieval time to the late 17th century, dictated that most imports and exports were taxed based on an officially fixed value defined by the Book of Rates which was updated overtime, instead of the actual market values of the goods.[20] It should also be noted that the old tariff system was not universal for every single type of goods. Woollens, the major export of England and London for our period whose exporters will be the focus of the following study, received special treatment regarding if they were new draperies, in which case a usual 5 per cent fixed duty was applied, or old draperies, which bore a very slight specific duty.[21] However, as already discussed by the contemporary economic writers as well as modern historians such as F. J. Fisher, these two different measures were both bearing meaningful and comparable relation to their value.[22] Nevertheless, the early modern English tariff system prescribed that, in many cases, the seemingly *ad valorem* duty was, as a matter of fact, a fixed duty, which would almost certainly, at least to a certain extent, affect the analysis of any study using customs duties from medieval and early modern time as its primary index, such as this one.

Although each entry may not have very much information on its own, six port books combined have tens of thousands of records in total. And more importantly, they concern several thousand merchants. Considering that this thesis aims to investigate mercantile networks instead of the comprehensive picture of London overseas trade, a group of characteristic merchants is more suitable for the purpose. This study is devoted to building a sample out of merchants who were not only active but also commanding trade of recognizable scale, which means only those who traded relatively more regularly and who at the same time had business of considerable scale should be taken into account. On the other hand, there should not be too few merchants in the sample as the group is expected to represent the merchant community of the City, and since it should be expected that personal details of individuals living in this era is usually more difficult to acquire, it is easier to search

20 Rupert Jarvis, Books of Rates, *Journal of the Society of Archivists*, Vol.5, No.8, 1977, p.515
21 Ralph Davis, The Rise of Protection in England, 1689-1786, *The Economic History Review*, New Series, Vol.19, No.2, 1966, pp.308-309
22 W. B. Stephens, The Cloth Exports of the Provincial Ports, 1600-1640, *The Economic History Review*, Vol.22, No.2, 1969, Pp.230-231

other sources for information if we have at least a certain number of merchants' names at hand. Therefore, some deliberate choosing and filtering is necessary.

Only mercantile firms, a term used in this thesis to include both individuals and partnerships, that had at least 2 entries worth more than £5 in duties (or £1 in the case of leather export since it is a much smaller trade) are to be considered qualified when building the sample. This threshold is selected mainly to make sure that the sample is neither oversized nor undersized, and that it does, to a large extent, represent the more active or elite individuals in the community. This is because that the less active traders both in terms of volumes and consistency are more likely to be excluded. However, it is worth mentioning that the price of such a filtering method is that certain merchants with noticeable trading activities could be missing from the sample as they tended to make frequent but small entries. One good example would be Jacob Conen, an active Eastland merchant who had 90 entries across all the books and paid £144.54 as customs duties, which makes him the 30th biggest cloth exporters. Despite his relatively large turnover, all his entries were of mediocre or average values and not a single entry exceeded £5 in duties. As a result, Conen is excluded from the sample. Fortunately, such cases are rare, and therefore, the sample, which, after the two-step process, is consisted of 238 merchant firms including 260 unique individuals, should be a good profile of the upper echelon of the early modern London mercantile community. Besides, since the purpose of building this sample is to study London merchants, incorporated trading companies (such as the East India Company) that entered the books on their own right are not to be included in the sample, but their trade is recorded and will be covered in the discussion below.

II. A General Survey of the Textile Merchants in the Database

To grasp a more comprehensive picture of the early modern London mercantile community and the position of the sample produced by this thesis in that community, it is also necessary to include a larger population of London merchants who made entries in the investigated port books to study against in the discussion of this chapter. However, although the most intuitive approach might be to cover all the merchants and mercantile partnerships in all the six books mentioned earlier, it could be argued that a dedicated selection of books would be more meaningful and conducive to unveiling a more convincing and cohesive story of the merchants involved. Firstly, and probably most importantly, since the aforementioned six port books cover three different trades, each with its own unique set of commodities and characteristics, including all six books might bring unnecessary complications that risks burying the information and properties of a specific trade and thus potentially a specific subgroup of the mercantile community in aggregate statistics. As will be shown in the discussion below, London merchants were highly specialized in terms of the goods they traded with and the regions they traded to. Aggregate data generated from all the books which encompasses information of merchants across all specializations will most likely overestimate certain properties of the sample while underestimate the rest, thus jeopardizing the raison d'être of such study. Secondly, the wine and leather merchants are mainly introduced to the sample as an extension for extra discussions and case studies, therefore, the selection of the six port books does not include a relatively more complete list of wine and leather books of consecutive years. Including those books would potentially generate misleading data in terms of the representativeness of the sample, because the wine and leather merchants in this sample are almost certainly not representative of their community by design. Lastly, and probably most importantly, since the wine and leather books listed in figure 2.1 are not clearly designated for entries made by denizens or aliens, it is very likely that these books also record the activities of alien merchants. Although including those merchants is beneficial to the general investigation of the thesis as it expands the horizon of the sample otherwise made completely of cloth traders, statistical aggregation based on them will compromise the integrity of data and its capacity of capturing the properties of London mercantile community which is what this thesis is set to investigate. As a result, the following discussion will only focus on the three cloth books, and examine how the early modern London cloth merchants were represented by this sample. For the benefit of presentation, the following discussion will refer to the general population of merchant firms registered in the three cloth books used by this study as ‘reference group’ and the selected 238 merchant firms through the aforementioned filtering process as ‘sample’ which itself is technically a subset of the reference group.

In total, the three port books that mainly recorded textile goods exported by denizens comprise entries for 7828 shipments which paid £26,318.28 in customs duties. Apart from unreadable and partially readable records when the names of the individuals or merchant partnerships making the entries are hardly recognizable, which, fortunately, are very rare, the three cloth books documented 1,343 mercantile firms.

Probably the most noticeable characteristics of the reference group is that their trade had a clear tendency of being consolidated in the hands of a few big wigs. The share of the top 10 firms, which, in total, paid £6,082.42 in customs duties, already took up nearly 23% or around a quarter of this trade whereas the numbers for the top 20 firms are £8750.13 and 33% respectively. It is also worth mentioning that these numbers do not even include the biggest player in this business, the East India Company, which is excluded from the sample, and which paid total customs duty of £1,654.07, nearly a third more than the most active mercantile firm comprised of individual merchants, Walter & William Kent who paid a sum of £1,268.05 in customs. Therefore, it is probably safe to claim that, by the end of the 17th century, the London cloth export trade was experiencing a very high level of concentration, and the distribution of trade is both significantly and disproportionately in favour of the top mercantile firms. Similar trends could also be perceived in at least the tobacco import, and to a lesser extent, the sugar trade, from North America in which despite the increasing volumes the number of firms importing tobacco was shrinking during the late 17th and early to mid-18th century.[23]

Figure 2.3 Trade Distribution in terms of Customs Duties for the Reference Group

Source: TNA E190/151/5, E190/156/5, and E190/160/6

This can be visually displayed by the figure above. The vast majority of the merchants and merchant partnerships participated in this trade were minor traders. To be exact, 1,001 out of 1,343 registered firms paid less than £10 in customs, only 115 firms exceeded £50, and 57 firms exceeded £100. This is hardly surprising, as taking the art of merchandizing as a full-time career was apparently not a very popular choice among Londoners in the later 17th century. D. W. Jones, also based on port book records, estimated that there were about 2,000

[23] Jacob Price & Paul Clemens, A Revolution of Scale in Overseas Trade: British Firms in the Chesapeake Trade, 1675-1775, *The Journal of Economic History*, Vol.47, No.1, 1987, pp.1-43

merchants actively operating from London during the last decades of the century.[24] However, this number was disputed by Peter Earle, who suggested that many of Jones's 2,000 merchants were, in fact, not full-time traders and would not have been considered 'merchants' by their contemporaries. Instead, Earle himself estimated the actual number to be around 600 to 1,000.[25] Richard Grassby also argued that 'the number of full-time overseas merchants probably fluctuated around 1,000 with an equal number of occasional participants' in 17th-century London.[26] Obviously, since this study is based on the port books, which is a customs record, it is difficult to discern the trade volumes of merchant firms in the reference group in terms of actual market values given the complex customs system of early modern England discussed previously. Fortunately, there has been historians working on formulating the relations between customs and values of trade goods in pre-modern England. D. W Jones, for example, suggested that 'by 1700 the duties on woollen textiles accounted for only 1-2 per cent of their value' based on a comparison of specific duties paid in the port books with valuations in the Inspector-General's ledger.[27] It is thus possible that there were more than 100 London merchants whose turnover in cloth exporting alone had reached £2,500 to £5,000, and nearly 60 merchants reached £5,000 to £10,000 in the last few years of the century. These numbers are indeed substantial considering that the usual equity of merchants running long-distance trades was around £2,000 to £5,000 indicating that they were very likely dedicated full-time traders.[28] Moreover, it should also be kept in mind that, although usually referred to as cloth merchants in this study, not all of the merchants from the reference group were specialized exporters of woollens. There may be individuals who could be considered as textile merchants but focused on the import trade, or merchants whose textiles business only took up a relatively small share of their total trade. For example, one Peter Vansittart, who had a remarkably high turnover of nearly £20,000, most of which was import from North Germany but also included re-export of Asian, Mediterranean and American goods, only paid £46.77 in customs duties according to our database.[29] Consequently, although there were discussions that the export of woollens through London, especially the old draperies which firms in the reference group were deeply engaged with

[24] D. W. Jones, 'London merchants and the crisis of the 1690s', in Peter Clark & Paul Slack (eds.), *Crisis and Order in English Towns*, London: Routledge, 1972, 1500-1700, p.350
[25] Earle. *The Making of the English Middle Class*, p.34
[26] Grassby, *The Business Community*, p.57
[27] D. W. Jones, *War and Economy*, p.196
[28] Grassby, *The Business Community*, p.82
[29] Margrit Schulte, *The Forgotten Majority: German Merchants in London, Naturalization, and Global Trade, 1660-1815*, New York: Berghahn Books, 2015, pp.43-44

given the selected port books covered by this study, was declining since the beginning of the 17th century, the wider London mercantile community, as demonstrated by the reference group, was still well represented by these textile merchants.[30]

Besides the high level of concentration, the trade distribution of the reference group also shows some clear patterns regarding regional preference. As shown in figure 2.2, every entry in the port books has a destination where the shipment of goods in question was sent. For the benefit of discussion, this study will categorize these destinations into 6 trading areas: 1. North Europe, a very large region spreading from Ireland to Russia; 2. Mediterranean and Levant, including destinations from North African coast to Italian ports to Ottoman territories, roughly corresponding to the charted area of the English Levant Company; 3. Iberia, mainly covers Portugal, Spain, and *Strait*, a designation frequently appeared in the port books which is identified by this study as the Strait of Gibraltar; 4. Americas, mainly includes North American ports and the ones in the Caribbeans; 5, India, usually designated as IND or East Indies; 6. Others, predominantly consisting of unrecognizable destinations, but also covering places outside the previous 5 regions such as Guiney or Guinea which were most likely located in Sub-Saharan Africa. Because the customs officials designated shipping destinations using abbreviations, and the abbreviations used are not consistent, it could be too risky and speculative to assume two destinations that look very similar as the same place, and sometimes the abbreviations used by the officials are simply too difficult to decipher.[31] Such cases are to be included in the last categories of trading areas, namely Others, but fortunately, these are not common, as indicated by figure 2.4.

	Total Customs Duties Paid	North Europe	Mediterranean and Levant	Iberia	Americas	India	Others
Reference Group	£26318.28	£16694.32	£4233.37	£2507.22	£824.26	£1393.53	£665.58
	£100.00%	£63.43%	£16.09%	£9.53%	£3.13%	£5.29%	£2.53%

[30] Barry Supple, *Commercial Crisis and Change in England, 1600-1642*, Cambridge: Cambridge University Press, 1964, pp.149-152

[31] The vagaries of phonetic spelling for the names of foreign places can make the Port Books very difficult to read. For example, Ayamonte, a town in southern Spain, could have several variations of spellings such as *Amonte*, *Amonty*, *Emonte*, or *Emonty*.

Reference Group excluding the EIC	24664.21	16647.82	4233.37	2507.22	824.26	35.18	416.36
	100.00%	67.50%	17.16%	10.17%	3.34%	0.14%	1.69%

Figure 2.4 Trade Distribution in terms of Destinations for the Reference Group, 1694-1697

Source: TNA E190/151/5, E190/156/5, and E190/160/6

The North European region was clearly the most popular trading area receiving nearly two thirds of the all the cloth export. It was followed by the Mediterranean and Levant region which also attracted a noticeable yet significantly smaller share of the trade. Although dwarfed by the two most busy areas, Iberia still drew around 10% of the business whereas the Americas and East Indies fall into relative obscurity. Obviously, by the end of the 17th century, with an almost 90% share, textiles exported by London merchants still predominantly favoured Europe and its close proximity which were a much more established market. Furthermore, it is worth mentioning that, as demonstrated by the figure, almost all the export to the East Indies registered in the port books was made by the East India Company. In fact, only £35.18 out of £1393.53, or a meagre 2.5%, worth of exports in customs terms to the Indian region was sent out by merchant firms outside the EIC. Indeed, given how the East India Company was supposed to organize its trade, any discrepancies, as meagre as them may seem, were most definitely unacceptable anomalies from the Company's side. Interestingly, two firms, Nathaniel & John Gould and Thomas & Thomas Vernon, were responsible for more than half of these personal exports, and, as will be discussed in Chapter 4, these individuals were notable East India interlopers who played an active role in the struggle against and the restructuring of the East India Company in the late 17th and early 18th centuries. Apparently, even the interloping trade tended to be commanded by a handful of most active merchants, although the actual volumes of it could not be easily concluded by simply looking at the official customs accounts.

The preference of the trading regions for the merchants in the reference group could tell a more interesting story when compared with the wider mercantile community of London and England, as the short period covered by our source, 1694-1697, dictates that these are indeed wartime statistics. Thanks to the studies of historians such as Ralph Davis, it is possible to examine how the war with France would affect the trading behaviours of London merchants.

	Total	North Europe[2]	Iberia, Mediterranean, and Levant	Americas	India
Total Export of London[1]	2773	957	1284	410	122
Woollens Export of London	2013	673	1109	142	89

Figure 2.5 The Woollen and Total Export of London, average of years 1699-1701 (in £1000s)

Source: Ralph Davis, English Foreign Trade, 1660-1700, *The Economic History Review*, New Series, Vol.7, No.2 (1954), p.165
Note 1: The data displayed in this table are all in terms of trade values.
Note 2: Davis had a slightly different method of categorizing and grouping the trading areas. This table is a reconstruction using Davis's data.

	Total	North Europe[2]	Iberia, Mediterranean, and Levant	Americas	India
Total Export of England	4433	2228	1484	539	122
Woollens Export of England	3045	1570	1201	185	89

Figure 2.6 The Woollen and Total Export of England, average of years 1699-1701 (in £1000s)

Source and notes: see figure 2.5

When compared with the wartime data from figure 2.4, figure 2.5 and 2.6 imply that the trading pattern of London merchants noticeably changed almost immediately after the War. Davis's data shows that although extra-European trade was still of secondary importance when compared with the Europe and Mediterranean region for both London and English export, as far as London is concerned, the relative significance of North Europe and the southern theatre from Iberia to Levant was very much reversed. In stark contrast to the three-year period at the close of the War, the three interwar years shortly after the peace treaty ending the Nine Years' War was signed and immediately before the War of the Spanish Succession broke out, which is the period covered by Davis's study, had seen a substantial recession of the export to North Europe which was quickly overtaken by the export to the greater Mediterranean area, and this is true not only for the woollens trade of London but also for London export in general. Regrettably, since rather than the port books, Davis used the Inspector General's Ledger as a source which recorded trade volumes by values instead of customs duties, it is not exactly possible to suggest if this considerable change in trading pattern for London merchants was in absolute terms as well as relative ones. However, if Jones's estimate of the share of customs duties in the total values of woollens is to be used again, it could be claimed with great level of confidence that this change was indeed manifested in absolute numbers. Ralph Davis used to remark that 'the great seventeenth century development took place in new markets to the south', as the English trade to the Iberian and Mediterranean regions was growing rapidly throughout the century thanks to a number of factors including the introduction and fruition of the New Draperies and the decline in Italian and Spanish industry.[32] The statistical comparison here indicates that the war with France during the last decade of the 17th century had inflicted a deep cut in this otherwise rapidly growing southern trade.

Furthermore, the wartime disruption of this trend was seemingly to be carried over to the 18th century with the continuous military conflicts on the continent. Jones noticed an 'extraordinary boom in woollen textile sales to Near Europe and Russia' in the first decade of the 18th century, and argued that the reasons of 'the sheer amplitude of the boom in the 1700s' was a rather fortuitous combination of the surging military commissions from both British and allied troops operating on the continent and the crippling of England's competitors by the direct and indirect devastation of the war.[33] These wartime fluctuations in trade could, of course, be either blessing or curse to the London merchants depending on their specialization. As contemporaries frequently noted, Levant merchants or Turkey merchants were almost certainly the hardest hit, at least in terms of the cloth trade.[34] Shipments were jeopardized by the extra hazard from rival forces on the sea, the need for better armed vessels and naval convoy added to the cost and burdens of the Levant merchants and complicated their communication with their actors in the Levant. On the other hand, the Hamburg, Eastland, and Russian merchants were probably gaining grounds from the turbulent business at the turn of the 18th century. Interestingly, the chronology of war and peace not only affected the fate of the merchandizing class but also the industry and manufacture behind it. During his travel to the West Riding, Defoe noticed how military demands boosted the growth of manufacturing centres such as Leeds and Halifax, and remarked 'especially since the late

[32] Ralph Davis, *English Overseas Trade 1500-1700*, London: Macmillan, 1973, pp.21-22
[33] D. W. Jones, *War and Economy*, pp.202-210
[34] J. Brent, The English in the Levant, *The English Historical Review*, Vol.5, No.2 (Oct., 1890), pp.662-663

Revolution the trade having been prodigiously encouraged and increased by the great demand of their kerseys for clothing the armies abroad'.[35] This could partially explain why the English cloth export, and indeed the overall export of the country, to North Europe was so much higher in values in the interwar years when compared with the export from London. Thanks to the war-stimulated industry in northern England, it would be much cheaper for clothiers to deal with local merchants specializing in the trade with near Europe than to work with Blackwell Hall factors in London.[36] Nevertheless, these varied impacts on the different sections of the London mercantile community will have varied implications on the mercantile networks of early modern London, which will be unfolded in later chapters of this thesis.

III. Dynamics of the Sampled Merchants

For general statistics, the sample is comprised of 238 mercantile firms, 163 are cloth exporters registered in those three books, and the rest can be mainly identified as wine and leather merchants. These 163 cloth merchants had made 4,224 entries which paid a total sum of £18,917.08 in customs duty. Obviously, given the methods with which this sample is built, it is not surprising that the included merchants tend to be the most active and successful members of the reference group. In fact, mercantile firms who participated in the cloth export trade in the sample only accounted for approximately 12% of all the registered firms in the reference group discussed above, but they were responsible for roughly 72% of all the cloth export in customs terms, which reinforced our earlier conclusion that the London cloth export by the end of the 17th century experienced a high level of concentration towards the top merchants.

	Total Customs Duties Paid	North Europe	Mediterranean and Levant	Iberia	Americas	India	Others
Sample	18917.08	13571.63	3472.56	1425.36	259.99	27.73	159.82
	100.00%	71.74%	18.36%	7.53%	1.37%	0.15%	0.84%

35 Daniel Defoe, Pat Rogers (ed.,), *A Tour Through the Whole Island of Great Britain*, London: Penguin, 1978, p.495
36 Richard Wilson, *Gentlemen Merchants: The Merchant Community in Leeds, 1700-1830*, Manchester: Manchester University Press, 1971, pp.12-13

Figure 2.7 Trade Distribution in terms of Destinations for the Sample, 1694-1697

Source: TNA E190/151/5, E190/156/5, and E190/160/6

Regarding the trading pattern in terms of regional preference, as shown by a comparison of figure 2.4 and figure 2.7, there is not much difference between the sample and the reference group, except that the sampled merchants were apparently even more focused on selling their goods to North Europe and the Mediterranean at the cost of a more diversified portfolio towards Spanish and extra-European trade. Probably the most important indication to the study of this thesis is that these specific interests of the sampled cloth merchants would, to a certain extent, defines their mercantile networks by confining their choices for contacts and supporting institutions within the scope of certain areas.

It has long been argued that early modern London merchants specialized in trading areas. In his influential work on the English trade with the Eastland during the 17th century, Hinton pointed out that '…a predominating characteristic of English foreign trade in the first half of the seventeenth century was specialization by areas rather than specialization by commodities'.[37] Because of the war with France at the end of the 17th century, wine merchants had very limited options in deciding where to seek imports. Therefore, non-sweet wine imports could be considered a special case concerning the investigation of mercantile specialization during these years, and problems with the fashion of recording for the leather exports have been mentioned previously, so only textile export is eligible to be taken into account here. Besides, it is probably worth noting that many mercantile firms may have been trading in various commodities by the end of the 17th century thus being listed in multiple types of books, however, thanks to the filtering process applied in this study, it is very uncommon for these firms to be recognized as active players on more than one front. To be more specific, only 8 firms in the sample are known to have been active in two trades, usually cloth export and wine or leather trade, and only 1 firm, that of Peter Houblon, is marked as active in all three trades. This indicates that although London merchants from the last few years of the 17th century may have had more than one business interest, as far as cloth, wine and leather are considered, it was not a very popular practice to heavily diversify one's capital beyond one dedicated route of business.

[37] Hinton, *The Eastland Trade and the Commonwealth*, p. 57.

This study uses a simple indicator named specialization index to inspect if a mercantile firm was specialized in exporting to a certain region and if it was to what extent. In order to compute the specialization index of firm *n*, its export to each and every region, in accordance with the aforementioned regional categorization, is to be separately added up and designated as a_n, b_n, c_n, d_n, e_n, and f_n. S_n which is the specialization index of *n* will hence be defined as:

$$S_n = (a_n^2 + b_n^2 + c_n^2 + d_n^2 + e_n^2 + f_n^2)/(a_n + b_n + c_n + d_n + e_n + f_n)^2$$

The mathematical proof and explanation of the equation above is largely irrelevant to the discussion here thus will be omitted. The mathematical implication, though, is, in fact, quite simple: the range of S_n should be (1/6, 1) with it being 1 when firm *n* exported all its goods to one region, 0.5 when it exported to two regions evenly, 1/6 when it exported to six regions evenly. There are two obvious advantages of this index when compared with a straightforward ratio of trade volumes sent to preferred areas and total volumes in calculating the specialization level of a certain merchant firm. Firstly, thanks to the standardized nature of this index, there is no need to pre-determine one or more preferred trading areas thus significantly simplifying and clarifying the calculation process. This is especially helpful when the firms in question did not seemingly have preferred trading areas. Secondly, this index also evaluates the trading structure of a merchant firm regarding its regional specialization. A relatively higher S_n indicates that firm *n* was not only more specialized in one trading area but also less likely to diversify its business among multiple regions *ceteris paribus*. For example, when both firm A and B had the same total export at *t*, the same share of their export, *x*, was sent to a preferred region, but A only also traded with one other region while B with two other regions. The straightforward method will yield the same result for the specialization level of these two firms at *x*/*t*. However, if using the index of this study, the results S_A will be greater than S_B indicating that the business of firm A was relatively less spread out across multiple regions.

First Name	Surname	Customs duties paid (£)	Specialization Index
Walt & William	Kent	1268.05	0.93
Symon	Leblanc	790.48	0.84
David	Debary	723.23	0.93
Sr William	Gore	714.18	1.00
Peter	Longeville	644.15	0.91
Joshua	Holroid	561.11	0.90

Richard	Southwell	376.88	0.91
Sr Benjamin	Ayloffe	366.88	0.84
William	Teshmaker	333.25	0.86
John	Harvey	304.20	0.53
Thomas	Biggs	299.85	0.95
John & Joseph	Wolfe	298.11	0.53
Samuel	Foote	275.53	0.96
John	Gondet	271.42	0.92
William & Jacob	DesBouverie	266.38	0.78
William	Sussex	263.58	1.00
David	Watson	259.50	0.89
	Oriot & Berens	254.81	1.00
Francis	Boynton	241.68	0.83
Sr Thomas & Thomas	Vernon	236.88	0.89

Figure 2.8 Regional Specialization of the Top 20 Cloth Exporters

Source: TNA E190/151/5, E190/156/5, and E190/160/6

Figure 2.8 is a demonstration of the top 20 mercantile firms from the sample in terms of total paid customs duties and their regional specialization. Mostly due to the filtering method used to build the sample, these also proved to be the top 20 firms of the entire population besides the East India Company. It is not difficult to see that all the 20 most active mercantile firms from the cloth books have an apparent tendency of regional specialization. Three of them only exported to one single region, which shows remarkable dedication considering their substantial trade volumes. This was especially so for Sir William Gore, who was also a commercial and social magnate of late 17th - century London enjoying wide-spread connections through several generations of City merchants and aldermen, and could use these advantages to expand his trade horizon with relative ease.[38] Even the two least specializing firms, John Harvey and John & Joseph Wolfe, had specialization indices over 0.5 meaning they had one region as their clear preference.

[38] Henry Horwitz, 'The mess of the middle class' revisited: the case of the 'big bourgeoisie' of Augustan London, *Continuity and Change,* Vol.2, No.2, 1987, pp.287-289

As displayed by Appendix B, the sampled textile-exporting firms in general shared this pattern of specialization. The mean and median specialization indices for the sample are 0.83 and 0.91 respectively. Out of the 163 firms, 58 or nearly a third accomplished perfect specialization reaching 1 in specialization index, and only 17 or about a tenth have their specialization index below 0.5. The latter indicates that although those firms might have one relatively clear preferred exporting region it was not exactly uncontested as the rest of their trade were spreading among multiple regions. Additionally, it might be interesting to note that the mean specialization index for the sample is slightly lower than that of the top 20 merchant firms which is 0.87, which may imply that cloth merchants with higher turnover tended to be more specialized.

Regional specialization is more than just a trading pattern for the early modern London mercantile community as it could have significant implications for these merchants and their mercantile networks, not least because it would be a wonderful opportunity for the firms to establish some business contacts. It is not difficult to imagine that merchants who exported similar goods to similar places could more easily become either acquaintances or rivals. And unregulated rivalry among them could generate externalities that are probably harmful to the entire community, as economists have shown that unregulated competition will 'drive price down in ruinous levels in some high fixed-cost-low marginal-cost industries' which is at least partially applicable to early modern overseas trade.[39] Indeed, by the end of the 17th century, chartered trading associations were familiar feature of the London scence. In fact, company membership was usually a prerequisite for legally trading within a particular area. However, the question remains, exactly how valuable the membership of trading companies was to the business of merchants? This is probably too complicated a question to be fully answered here, but it is still possible to shed some light on it by cross-referencing the works of other historians. Such an investigation would also help to understand the organizational backgrounds and the trading specializations of the sampled merchants.

By checking against Perry Gauci's database of 850 individuals, many merchants in the sample of this study can be potentially identified, as displayed in Appendix B. When taking their trading company memberships into consideration, it is fair to assert that, to a large extent, the above question seems to have a positive answer, because the mercantile firms' regional specialization greatly coincides with the trading company memberships of their members, although further investigation may suggest a more complex situation. Besides, in

[39] Dwight Lee & Richard McKenzie, How the Client Effect Moderates Price Competition, *Southern Economic Journal*, Vol.64, No.3, (Jan., 1998), pp.741-752

the cases when certain merchants held memberships of more than one company, they tended to have a preferred trading area that corresponds to one of the companies. Of course, we cannot always be sure whether the merchants who were members of multiple trading companies held their memberships simultaneously. But we can be certain that they tend to focus on only one area at a given time, which, in our case, is the end of the 17th century.

Let us once again use the above top 20 merchant firms as an example. Ten or nearly half of these merchants can be identified with at least one trading company including the old East India Company. Sir William Gore, Samuel Foote, and Francis Boynton, all of whom were heavily specialized in the North European region, were members of the Eastland Company, and most of their consignments were sent to Hamburg, Rotterdam, Holland or Bruges. Sir Thomas Vernon and Jacob DesBouverie, the only two firms that specialized in exporting to the Ottoman territories were, unsurprisingly, members of the Levant Company. John Harvey was already a member of the Levant Company when he joined the Russia Company in 1699, and most of his shipments in this period (1694-7) were sent to Hamburg, with 9 exceptions going to Turkey. Sir Benjamin Ayloffe and Joseph Wolfe both joined three companies: the Eastland Company, the Russia Company, and the Levant Company. However, Ayloffe's specialization index is much higher than Wolfe's. Ayloffe's exports were confined to the North Sea and the Baltic regions while Wolfe's firm sent cargoes to Rotterdam, Russia and Turkey, almost perfectly corresponding to his trading company memberships. Maybe the only anomaly of this small group of prominent textile merchants is Symon Leblanc. According to Gauci's database, Leblanc was supposed to be a Turkey merchant, but the destinations of his shipments were predominantly within the sphere of North Europe, and more specifically, largely favoured the Low Countries. A possible explanation is that Leblanc was of Huguenot origin, only naturalized in 1688, and he acquired the membership of the Levant Company by redemption in the year 1696, relatively late for our period. In the period under study, he might have established interests in the home region but be devising plans for new trading frontiers in the Levant, as he did have £60 worth of trade in customs term exporting to the Levant and southern Spain, dwarfed by his overall export but a promising start for future expansion. Besides, it is also worth mentioning that Walt Kent was a member of the East India Company alone, but he did not have noticeable trade to the East Indies, which indicates that most of the legal export to this region was likely to be organized and registered under the Company itself. The rest of the sampled merchants largely followed this general pattern with only a handful exceptions such as the Houblons who were members of the Levant Company but mainly exported to the Iberian Peninsula. However, this may not be abnormal for the Turkey merchants, as Peter Earle found that many Levant merchants would also regularly trade with Italy, North Africa, and especially with Spain besides the usual pattern of exchanging Turkish and Syrian raw silk for English broadcloth.[40] Indeed, the Levant merchants in the sample usually also had some small consignments sent to Iberia.

First Name	Surname	Customs Duties Paid (£)	Customs Duties paid for trade to North Europe (£)
William	Cockram	54.61	54.61
David*	Debary	723.23	697.27
Raymond*	DeSmith	165.91	158.62
John & Mart	Elking	144.13	139.45
John*	Esselbron	135.34	128.16
John*	Gondet	271.42	259.89
Reginald	Heber	37.88	36.54
Joshua	Holroid	561.11	530.69
Peter	Kesteman	112.90	101.97
Peter*	Longeville	644.15	612.49
Thomas	MacCullock	90.33	89.03
Gerard*	Muysken	38.10	36.33
Richard	Southwell	376.88	360.22
Francis*	Tierons	132.28	123.05
George	Turner	147.68	141.93
Ralf	Whitchurch	104.05	104.05
Sum		3740	3574.3

Figure 2.9 Sampled Firms without Trading Company According to Gauci's Database

Source: see text.
Note: * for alien merchants.

[40] Earle, *The Making of English Middle Class*, p.38

First Name	Surname	Customs Duties Paid (£)	Customs Duties paid for trade to North Europe (£)	Trading Company Membership
Ambrose	Asty	25.91	25.91	Eastland
Sir Benjamin	Ayloffe	366.88	336.20	Eastland/Russia/Levant
Robert	Bloome	74.35	70.27	Eastland/Russia/NEIC
Francis	Boynton	241.68	219.20	Eastland/NEIC
Anthony	Burren	133.22	133.22	Eastland/Russia/Hamburg
John	Edwards	133.18	86.18	Levant/Russia/EIC
Samuel	Foote	275.53	269.61	Eastland
	Giles & Aesop	98.08	97.08	Russia
Sir William	Gore	714.18	714.18	Eastland/EIC
John & Nathaniel	Gould	168.60	158.81	Levant/Russia/NEIC (John) Eastland/Russia/NEIC (Nathaniel)
Christopher	Hamilton	231.63	218.94	Eastland
John	Harvey	304.20	201.11	Levant/Russia/NEIC
Gilbert	Heathcote	47.67	42.93	Eastland/Russia
Theodore & Henry	Jacobson	54.83	50.60	Eastland/Russia/EIC (Theodore)
Peter	Joye	42.05	42.05	Eastland/Russia/EIC
Henry	Lyell	55.83	55.83	Eastland/Russia/NEIC
Anthony	Merry	113.06	86.13	Russia/NEIC
Philip	Nisbet	34.04	34.04	Eastland/Russia
	Osteland & Kerser	69.15	61.72	Russia
Thomas	Styles	41.50	41.44	Levant/Russia
John & Joseph	Wolfe	298.11	192.81	Levant/Russia/Eastland (Joseph)
Sum		3523.65	3138.23	

Figure 2.10 Sampled Firms with Trading Company Specialized in Trading with North Europe

Source: See text.

Moreover, 19 of the sampled firms whose merchants could not be identified as members of any trading company are included in Gauci's database. This could, again, be attributed to the difficulty of acquiring such information, but it is interesting to note that, as demonstrated by figure 2.9, 16 of these 19 firms were predominantly exporting to North Europe, and their combined trade constitute approximately a quarter of the total export to this region in customs values. In comparison, there are 21 firms specialized in trading with North Europe whose merchants can be identified, with the help of Gauci's database, as members of either the

Eastland Company, the Russia Company (the Muscovy Company), or the Hamburg Company, and their combined trade is £3138.23 in customs values, a slightly smaller sum. Therefore, the existence of this noticeable group of 16 firms suggests that there is a possibility that a significant portion of the cloth export to North Europe was not organized by chartered companies. Additionally, many of the merchants from those 16 firms had surnames that implied they were of either Huguenot or German origins. In fact, 7 of these 16 firms were made up by merchants who were still alien not long before our three-year period of 1694-7.[41]

The impact of foreign merchants on the early modern London and English trade and their interaction, cooperation, and integration with the local mercantile community has been the subject of many historians' works.[42] This study here will only suggest that by the late 17th century, the organizational landscape of the North European cloth trade was characteristically different from what it was a century ago, especially with the Merchant Adventurers' control over the trade of London with the Low Countries virtually disappeared.[43] Regulatory shift in the 17th century signalled by the Navigation Acts and the ending of prohibitive aliens' duties in 1673 produced a system intended to protect 'the English entrepot rather than the nationality and status of the exporter', which damaged the monopoly and general control of the Merchant Adventurers over the trade to Near Europe.[44] The Act of 1688 that opened up the export of woollens to all comers hit the Merchant Adventures particularly hard on the legal level, as it was deliberately left out from the whitelist of chartered companies including the Levant Company, the Eastland Company, the Russia Company, and the African Company, whose privileges should not be 'construed against' by the Act.[45] However, the decline of the Merchant Adventurers long preceded this Act. Since the 1620s, thanks to the trade route between England and the mart towns being of a less bilateral nature and a shrinking continental market for undressed shortcloth, the Merchant Adventurers had been experiencing some structural changes.[46] Not only did the Company find it more and more difficult to

[41] D. W. Jones, *War and Economy*, pp.254-255

[42] See Jones, War and Economy; Margrit Schulte, *The Forgotten Majority: German Merchants in London, Naturalization, and Global Trade, 1660-1815*, New York: Berghahn Books, 2015; Irene Scouloudi (ed.), *Huguenots in Britain and their French Background, 1550-1800*, London: Macmillan, 1987; and many more.

[43] E. Lipson, *The Economic History of England, Vol.2, The Age of Mercantilism*, London: A. and C. Black, 1931, pp.265-268

[44] David Ormrod, *The Rise of Commercial Empires: England and the Netherlands in the Age of Mercantilism, 1650-1770*, Cambridge: Cambridge University Press, 2003, p.44

[45] 'William and Mary, 1688: An Act for the better preventing the Exportation of Woole and Encouraging the Wollen Manufactures of this Kingdome', in *Statutes of the Realm, Vol.6, 1685-94*, ed. John Raithby, London: Great Britain Record Commission, 1819, pp.96-98

[46] Thomas Leng, *Fellowship and Freedom: The Merchant Adventurers and the Restructuring of English Commerce*, 1582-1700, Oxford: Oxford University Press, 2020, pp.267-269

enforce its regulations on both the interlopers and its own members, the organization of the trade to the Netherlands and Germany that was once dominated by strong ties of servitude, ‘with Merchant Adventurers centring their network building on achieving rank within this community of merchants’, had been greatly compromised in favour of weaker ties of commission agencies and partnerships.[47] It is possible that the need for formal organizational support had greatly declined in this long-established trade, as individual merchants may no longer consider it necessary to delegate their liberty to a trading association when they could access more flexible and cheaper alternatives such as vertically integrated business in the form of commission agency, especially for merchants of Huguenot and German origins whose local networks and cultural heritage could aptly supervise the organizational takeover.[48] On the other hand, as will be shown in Chapter 5, the trading apparatus of the Levant Company marked by a system of apprenticeship integrating into the governing of business that was maintained by London-based principals and Levant-based factors were still largely operating as intended by our period. Consequently, even though North Europe took up such a great share of the trade of the sampled mercantile firms, due to the changed organizational landscape and the lack of formal organizations, the later chapters of this thesis on mercantile organizations will focus on the second largest market for this short period in this discussion – the Levant and Mediterranean trade.

While it is interesting to investigate the sampled merchants’ involvement in the leading trading companies, their participation in joint-stock companies will also shed some light on the dynamics of the sample. Unlike the trading companies discussed above, most of which were regulated companies requiring their members to organize the trade themselves, joint-stock companies managed their business at the company level with company hired employees, while the members mainly played the role of investors. In this chapter, three major joint-stock companies – the Bank of England, the old East India Company, and the new East India Company – will be investigated.

[47] Ibid, pp.115-116
[48] Regina Grafe & Oscar Gelderblom, The Rise and Fall of the Merchant Guilds: Re-thinking the Comparative Study of Commercial Institutions in Premodern Europe, *The Journal of Interdisciplinary History*, Vol.40, No.4, 2010, pp.477-511

	Old EIC			New EIC	Bank of England
Number of Participants	51 different individuals in total			56	52
Participants' Shares in the Total Stocks	1691 2.7% (14) [1]	1693 1.2% (11)	1696 4.6% (48)	10.7%	11.2%

Figure 2.11 Sampled Merchants' Participation in the Old East India Company (1688-1696), the New East India Company Founding Floatation, and the Bank of England Original Subscription

Source: Index to Original Subscribers to Bank Stock 1694, Bank of England Archive, 10A285/1; Lists of Adventurers and Stock Account of the East India Company, IOR/H/1, IOR/H/2; and Roll of Signatures of the New India Company Subscribers, IOR/A/1/53

Note 1: Bracketed numbers indicate the number of adventures from the sample for that year.

As shown in the figure above, out of the sampled merchants, 52 could be identified as the original subscribers of the Bank of England, 56 invested in the new East India Company during its founding flotation in July 1698, and 51 were official adventurers of the old East India Company between 1691 and 1696. What this figure does not show is that although only less than a quarter of the sampled merchants had invested in each of these three joint-stock companies, the investors combined constitute a pool of 115 unique individuals, nearly half of the sampled merchants. D. W. Jones found that 31.73% of the non-trade assets of the merchants in his sample were invested in the stocks of the Bank of England and the East India Company, and only 1.96% of the assets went to joint-stock companies other than the BoE, EIC, and the South Sea Company which attracted 27.34% of the mercantile assets on its own.[49] Admittedly, Jones's data was gathered after the new East India Company was incorporated into the old one, and the South Sea Company stocks, which is responsible for one of the greatest economic bubble in the early modern economic history of England, might have absorbed a large portion of mercantile assets that could otherwise have been invested in the BoE and EIC. Nonetheless, it is very likely that the merchants in our sample at least conformed with the investment preference of the London mercantile community as demonstrated by Jones, and it is also possible that the merchants investigated in this study were more inclined to invest in joint-stock enterprises as the group of 115 individuals who had invested in the said three companies tended to include more prominent merchants such as Sir William Gore and Sir John Houblon. In fact, the 52 merchants in our sample who participated in the original subscription of the Bank of England had, on average, invested

[49] D. W. Jones, *War and Economy*, p.279.

roughly £2065, which is almost twice the average investment, a sum of roughly £1042, made by the subscribers whose profession and status were marked as 'merchant'.[50]

Moreover, figure 2.9 also shows that, in terms of shareholdings, the sampled merchants had a much greater presence in the Bank and the new East India Company than in the old East India Company. In fact, their shares in the old Company were very insignificant until 1696 when their representation in the stocks account experienced a sharp increase as a result of the Company deciding to issue a new subscription and almost doubled the number of shareholders and capital after 1693. However, even after this, the sampled merchants' shares in the old Company were still obviously dwarfed by the other two organizations. This situation could potentially explain the pressure on the old Company during the financial revolution, and, to a certain extent, demonstrates the necessity of establishing the new Company and the Bank as far as the mercantile community was concerned, an event that will be further investigated in Chapter 4. Perhaps more importantly, this indicates that a significant portion of our sampled merchants may have been the new money who not only advocated the change but also benefited from it.

Investigations so far have been focusing on the economic aspects of the sampled merchants; however, the business lives of early modern London merchants were far more than just their trading patterns, chartered company memberships, and shareholdings in the leading joint-stock companies. Social standings, religious affinities, and family structures may all contribute to defining their identities and assisting them in establishing and maintaining mercantile networks. In order to complete the portraits of our sampled merchants by revealing the social aspects of their lives, the aid of other sources is required. This study has also consulted the wills of the Prerogative Court of Canterbury and the 1695 marriage duties for more detailed and personal information.[51]

The study of PCC wills yields 59 suitably matched testators, including 14 who are the contacts of the sampled merchants but are not themselves in the database. The years of their filing ranged from 1693 to 1763. Thirty-three out of 59 individuals were indicated as 'merchants' in their wills and 6 mentioned their livery companies. The remaining 20 testators had titles such as 'Knight' and 'Esquire', or associated their names with certain places (e.g. William Gore of Tring, Herts); however, it is still possible that most of them were practicing the profession of merchandizing at some point in their lives, since retreating into the countryside was not an uncommon practice for early modern London merchants, and some

[50] Bank of England Archive, 10A285/1.
[51] The class reference of PCC wills: TNA Prob 11. The list of each will could be found in the Appendix.

successful merchants who eventually became MPs might prefer to designate themselves with their residences in their constituencies. Although 59 may not be a very large number, the potential of the wills of this particular group of merchants is still clear, not only because they have rich information to offer but many other merchants in the database are also frequently mentioned as beneficiaries, witnesses, trustees of estates and even executors, which can contribute to the reconstruction of their networks.

In late 17th century and early 18th century London, the majority of the population were conforming Anglicans, leaving the followers of other churches somewhat isolated, which may help bring them together. Of the 59 wills, most testators bequeathed something to religious organizations, while seven explicitly mentioned certain specific religious groups. This may indicate that whereas the majority of the testators are probably conformists, a recognizable group of merchants can be discerned as religious minorities. Peter Houblon (1714) left £100 to some non-conformist ministries and another £100 to the students managed by them. Four people devised legacies to the local Dutch Church. Their Dutch origins can be told from their names: Peter Kesteman (1716), Marten Elking (1699), Symon Lodwick (1702) and Christome Hamilton (1706). One William Des Bouverie (1717), whose name indicates French or Walloon origin, made two legacies to a Walloon Church and a French Church respectively. And one Peter Joye left £25 to a French Church and £50 to a Dutch Church where he was baptized. These people's sharing of the same cultural backgrounds could be a strong bond in establishing and maintaining potential mercantile networks. Although the four Dutch merchants did not imply in their wills that they had any kinds of business connections, it is still worth noting that three of them mainly traded to the Low Countries.

It could also be seen that this group of merchants preferred to be described by their actual professions than their livery company memberships. As mentioned above, all the 59 wills were probated in the years 1693 to 1763, which means most of the London testators who were described as merchants by profession should have been freemen of the City and therefore members of certain livery companies. However, it seems that mentioning one's livery company in the will had ceased to be a common practice for the London mercantile community by this period. In total, only 6 testators referred to themselves as livery company members (2 Haberdashers, 2 Mercers, 1 Stationer and 1 Draper). One merchant bequeathed £100 to 'the poor of the Haberdashers' Company', which may suggest that he was a member, and also makes it the only legacy specifically left to a livery company from all the 59 testators.

While the PCC wills can shed some light on London merchants' lives and business on an individual basis, as we have seen in this chapter and will see more in the next one, the returns to the 1695 marriage duty tax can provide a more comprehensive and general picture of the merchants' family lives. Thanks to the *Index to London Inhabitants Within the Walls 1695* and the assessment returns in London Metropolitan Archive, this study managed to identify 117 merchants in the database. A few merchants had multiple matches from the marriage assessment returns, but unless one match clearly indicates that the individual in question was an overseas trader, or such information is available from other sources these matches are not included in this analysis. Besides, as Peter Earle had observed, the 1695 marriage assessment could have been battling some fraudulent misconducts, as some people may have deceived the assessors and so avoided the surtax paid by those worth more than £600, or omitted household members who were not in their London residences during the survey.[52] Known cases of such nature have been excluded in the analysis. However, it should be kept in mind that, thanks to this issue, the information for this discussion could potentially be incomplete.

Perry Gauci, after studying his own sample of merchants, found that, in the 1690s, merchant residences clustered around the facilities that provided mercantile services in the eastern part of the City proper, such as the Royal Exchange at Cornhill and the quays and the Customs House to the east below London Bridge.[53] In general, the pattern of mercantile residence demonstrated by the group of 117 individuals conforms with Gauci's finding in the sense that they tend to cluster in the eastern parishes within the city wall. However, this does not imply that the residential pattern of the said group was without any unique features. It is important to note that this group of merchants were selected from the active traders who specialized in textiles, wine, and leather and whose trade managed to achieve a certain scale. Despite the fact that, as Perry Gauci has observed, many assessed individuals might wish to hide their wealth in order to avoid surtax, 44% of the matched merchants, or 52 out of 117, were reported to have personal estates of more than £600.[54] As illustrated by figure 3., the sampled merchants tended to reside in three general areas: the northern City to the east of Cripplegate, the eastern City with particular high density around the Tower and Bishopsgate Within, and a section to the south that roughly overlapped with the wards of Dowgate, Walbrook, and Candlewick. The five most populated parishes – St. Stephen Coleman Street, St. Michael Bassishaw, St. Helen, St. Dunstan in the East, and Allhallows Barking - housed

[52] Earle. *The Making of the English Middle Class,* p.213.
[53] Gauci, *Emporium of the World,* pp.23-24.
[54] Gauci, *The Politics of Trade*, p.22.

one third of the 117 households. Instead of Cornhill where the Royal Exchange stood, the most noteworthy concentration was around the Tower area, presumably thanks to the proximity of the Customs House, and Bassishaw/Coleman Street, which granted the merchants easy access to Guildhall and Blackwell Hall.

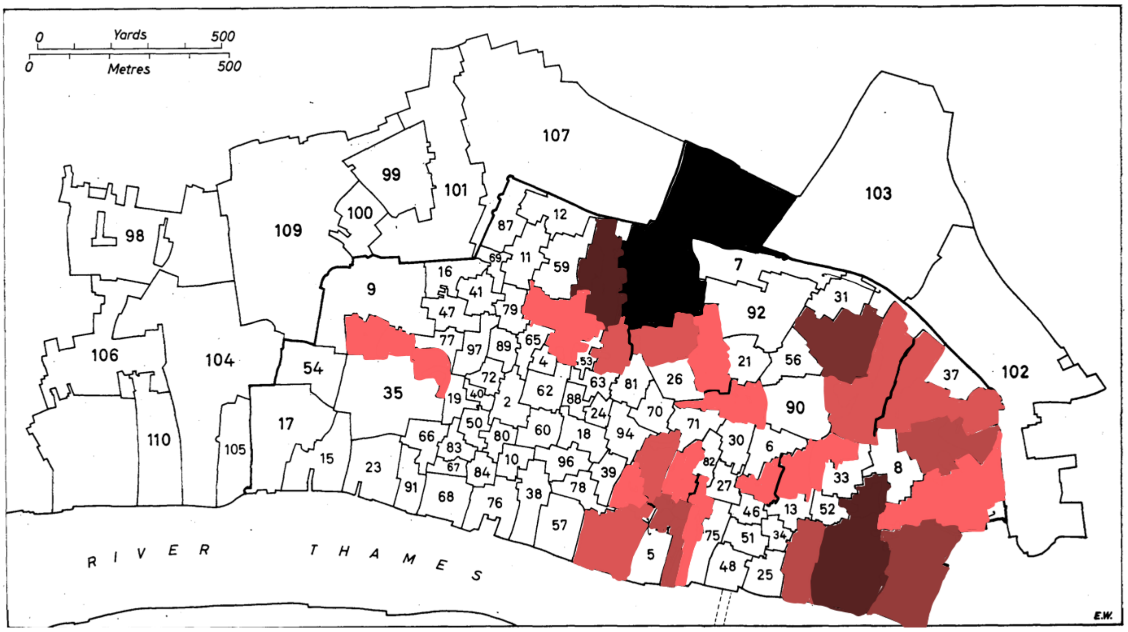

Figure 2.12 Residential Pattern of the Matched Merchants from the Database

Source: LMA, 1696 Marriage Duty Collection, COL/CHD/LA/04/01

Note: This figure illustrates the residential density of matched merchants from the database by parish. Deeper colours indicate higher density, and only the parishes that housed at least two matched merchants are included.

The residential pattern becomes clearer when wine and cloth merchants are inspected separately.[55] Figure 2.11 and 2.12 demonstrate that whereas the wine merchants tended to cluster around the Tower area, which is an interesting development as their traditional residential and business area, the Vintry Ward, seemed to have lost favour, the cloth merchants had shown a peculiar interest in living in the neighbourhood of Guildhall and Blackwell Hall.[56] This pattern indicates that specialization played a significant role in the sampled merchants' choice of residence. At least for the leading merchants in the textiles trade, which, in terms of value, constituted roughly 70% of the total English export by the end of the 17th century (or 60% if re-export is included), proximity and easy access to

[55] There are only 10 matched leather merchants which contributes relatively little statistical significance to the analysis. Therefore, only wine and cloth merchants are considered here.

[56] John Noorthouck, *A New History of London Including Westminster and Southwark*, Vol. 2, London: 1773, p.672

Blackwell Hall, the centre of the cloth trade at the time, and probably Guildhall, greatly overshadowed the appeals of Cornhill and the Royal Exchange.[57]

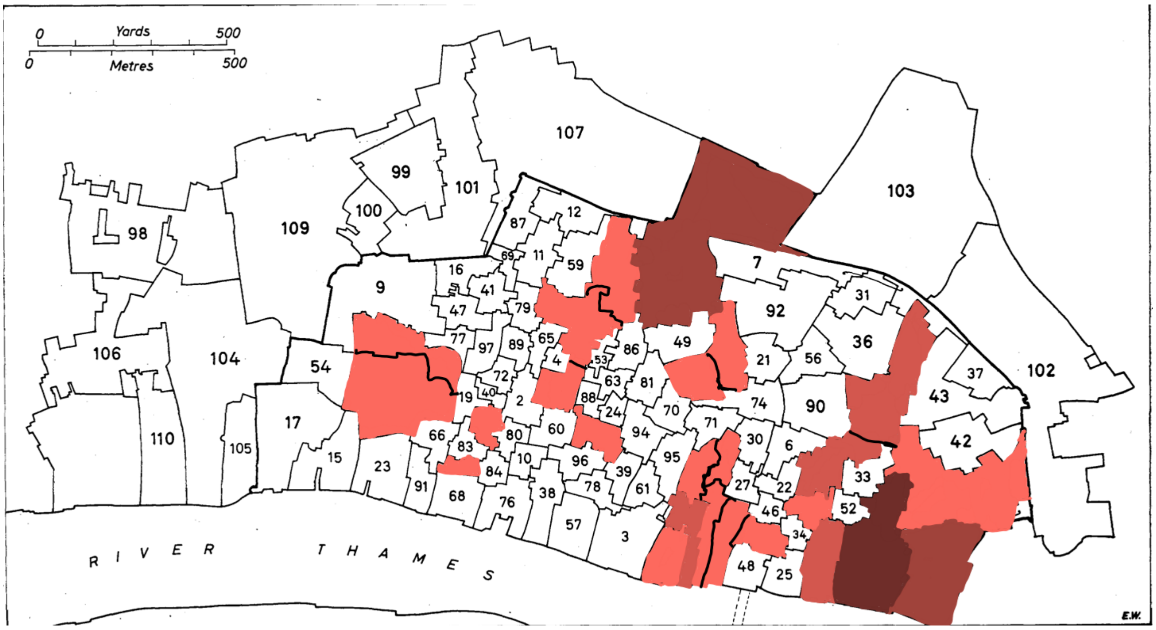

Figure 2.13 Residential Pattern of the Wine Merchants

Source: LMA, 1696 Marriage Duty Collection, COL/CHD/LA/04/01

Note: Unlike figure 2.10, this figure has included the parishes that only housed one matched merchant, the same goes for figure 2.12.

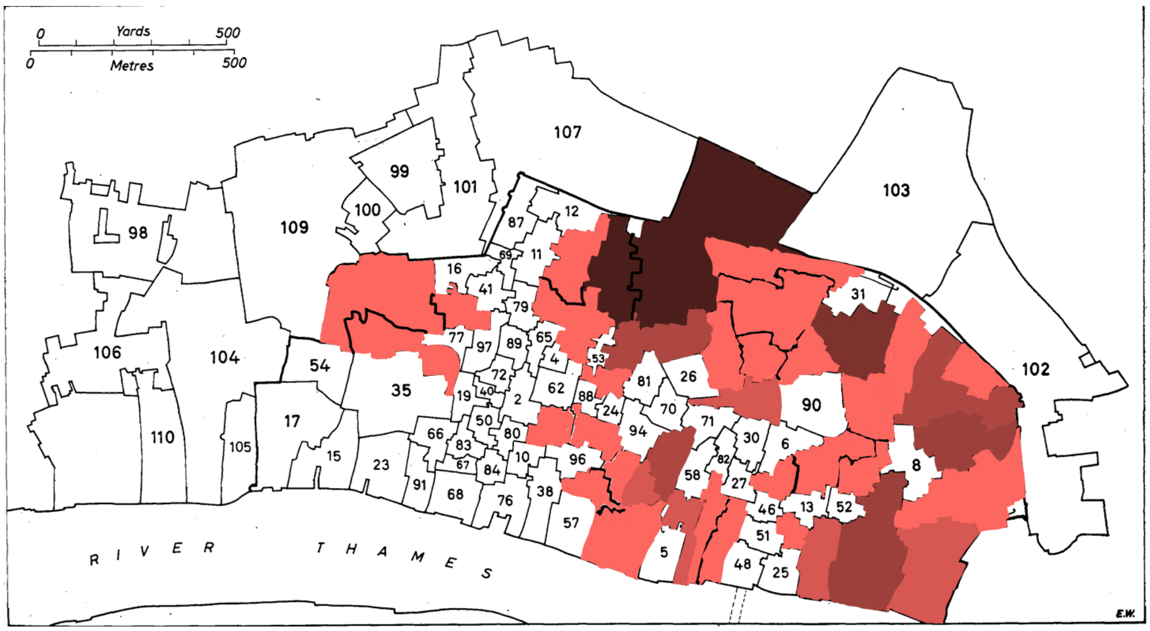

Figure 2.14 Residential Pattern of the Cloth Merchants

[57] Ralph Davis, English Foreign Trade, 1660-1700, *The Economic History Review*, New Series, Vol.7, No.2 (1954), p.151.

Source: LMA, 1696 Marriage Duty Collection, COL/CHD/LA/04/01

Blackwell Hall had been the centre for English wool and cloth trade since the 14th century.[58] By the late 17th century, the business of Blackwell Hall had been virtually monopolized by the factors, which prompted fierce criticism and complaints, mainly from the clothiers, and ended up with a statute to regulate the factors in 1696.[59] However, the said statute did not achieve much success, and the factors continued to dominate the trade for at least another century.[60] The reason for the triumph of the Blackwell Hall factors probably lies with their irreplaceable services that greatly benefited the cloth merchants, arguably at the expense of the clothiers, as admitted reluctantly by one of the complaints:

> The sale of Cloth in London is wholly in the hands of Factors and Packers, and the Merchants being possess'd, that they have a greater benefit thereby, than if they bought if of the clothiers.[61]

The factors facilitated exchanges by acting as specialized middlemen for specialized merchants and producers. They worked as intelligencers for both parties, and established connections and normalized the trade so that it could be repeated with minimum uncertainties and economized on time, cost, and effort. The factors had developed some helpful instruments such as a sophisticated credit system to fulfil their duty, and, not infrequently, they would become merchants themselves.[62] In fact, one of the sampled merchants living in the parish of St. Michael Bassishaw, a John Evans, was marked by the marriage duty assessor as a factor by profession. At least another quite successful factor could also be identified from this group: Paris Slaughter Junior, who succeeded the career of his father and lived with his four siblings, all had more than £600 worth of estates, three lodgers, one apprentice, and four house servants.[63] Therefore, it is only to be expected that the London cloth merchants would

[58] 'Blackwell Hall', in Henry A. Harben, 'Blackfriars Almshouses – Bladder Street', in *A Dictionary of London* (London, 1918), British *History Online* http://www.british-history.ac.uk/no-series/dictionary-of-london/blackfriars-almshouses-bladder-street [accessed 4 June 2021].
[59] John Raithby (ed.), *The Statues of the Realm, Volume 7*, London: Dawsons of Pall Hall, Reprint, 1963, pp.199-200.
[60] Conrad Gill, Blackwell Hall Factors, 1795-1799, *The Economic History Review*, New Series, Vol.6, No.3 (1954), p.268.
[61] Anon, *The Clothiers Complaint*, London: Randal Taylor, 1692, p.5.
[62] Westerfield, *Middlemen in English Business*, pp.296-304.
[63] Gauci, *The Politics of Trade*, p.22; LMA COL/CHD/LA/04/01/073.

want to live in the neighbourhood of Blackwell Hall and their factors with some of the merchants being factors themselves.

Besides residential patterns, the marriage duty assessments can also be used to study the merchants' household and family structure, as has been shown in the works of many historians such as Richard Grassby and Peter Earle. Because this study intends to investigate the mercantile family, which will be further unfolded in the next chapter, the analysis and discussion will focus on marriage and family networks.

The first notable characteristic of the matched merchants is that there was a sizable group of bachelors. Twenty-five out of 117 (or roughly 21.4%) matched merchants were clearly marked in the assessments as bachelors of at least 25 years old. This percentage is larger than the numbers generated from other historical studies focused on this period. Glass, based on the data of 40 parishes and 7 other parishes with a higher proportion of substantial households that were subject to surtax within the walls, found that 10.2% of London men were bachelors over 25 and that the percentage for richer parishes is 15.5%.[64] After a thorough study of the PCC wills, Grassby concluded that 8.1% of the English mercantile population were bachelors.[65] Therefore, if the size of this could be considered statistically significant, it could indicate that, at the end of the 17th century, the active and leading London merchants, at least those in the trade of cloth, wine, and leather, were considerably more inclined to remain unmarried or have late first marriage than the average Londoner and fellow businessmen across the kingdom.

Besides the propensity to stay single, our group of merchants also seemed to have fewer recorded children. Figure 2.13 demonstrates the number of children each married household had according to the assessment.

[64] D. V. Glass, Notes on the Demography of London at the End of the Seventeenth Century, *Daedalus*, Vol.97, No.2, (Spring, 1968), p.586.
[65] Grassby, *The Business Community*, p.310.

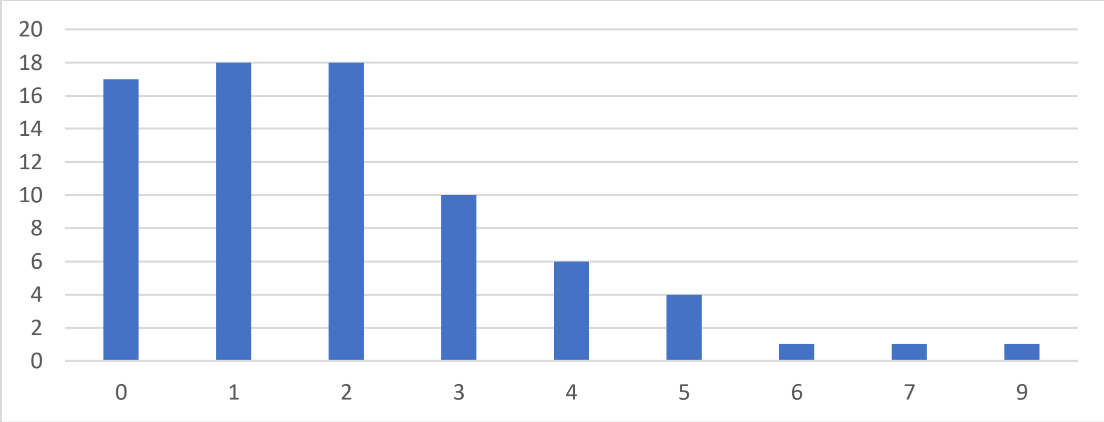

Figure 2.15 Number of Children for Married Merchant Households

Source: LMA, 1696 Marriage Duty Collection, COL/CHD/LA/04/01

Obviously, most merchant households had 0, 1, or 2 children, and very few households were recorded to have more than 4 children. Statistically, the mean number of children for each married merchant couple is 1.97, and the mean number for the whole group is 1.28. Richard Grassby, after consulting the results of several studies most of which were also based on the 1695 marriage duty, suggested that, in average, London households had 1.4 children, and the number for those lived in richer parishes is 1.5, both numbers are higher than the 1.28 for our group.[66] It should be noted that Grassby also found, based on his own research, that, between 1660 and 1740, the mean number of children who survived to maturity for London business families is 2.7.[67] Indeed, it could be argued that this number is expected to be higher than the number provided by the 1695 assessment, because the assessment was only capable of presenting a snapshot of London's demography, showing only those children living with their parents: many merchants' children may have left their parents' household to start their own or get married when they came of age. Therefore, Peter Earle's study could serve as a reference on this matter. Earle made a list of 36 middle class London households based on the 1695 assessment complemented with information from other sources, and he counted 91 children in total making the mean number of children for each household roughly 2.5.[68] Besides, Earle also remarked that a number of children could be missing from the assessment due to a variety of reasons other than carelessness on the part of the assessors such as being sent to nurse, boarding school, apprenticeship.[69] With the help of other sources, Earle found

[66] Grassby, *Kinship and Capitalism*, p.160.
[67] Ibid, p.156.
[68] Earle, *The Making of the English Middle Class*, pp.214-217.
[69] Ibid, p.217

that at least 11 children were missing from the assessment, which would make the mean number of children for each household amount to 2.8, slightly higher than Grassby's number. Therefore, the low number of children for our group of merchants could be partly explained by Earle's remarks and the fact that many merchants' children and wives might be spending time in their country homes since the assessment were made around May Day. In fact, there are 16 individuals who were neither marked as bachelors or living with a wife, which may imply that they were either single men under 25 or their wives and all of their children were not living in London with them.

IV. Conclusion

This chapter had a general breakdown of the group of London cloth exporters operating in the last few years of the 17th century and a sample of the most active merchants on which most of the study in this thesis is built. Their mercantile experience, especially that of the latter group, is characterized by several generalizations, not just derived from the port books but also from other sources such as the wills of the Prerogative Court of Canterbury and the 1695 Marriage Duty. We have seen that the export of cloth, mainly the old draperies, was clustering towards the hands of a small group of merchant firms, although, by comparison, the number of individuals participated in this trade was relatively much more substantial. The merchant firms that practically dominated the textile exporting of late 17th-century London was also a prominent segment constituting the wider London mercantile community of the same period, a time when the chronology of peace and war deeply impacted their trading structure. The opening of the southern theatre was probably, as Ralph Davis claimed, the most important development of English overseas trade in the 17th century, however, due to a number of factors accompanying the war with France at the end of the century, this trade route was severely damaged. Fortunately for the merchants dedicated to establishing and expanding this new trade, the wartime disruptions was only a temporary phenomenon, and the business was revived almost immediately after the peace treaty was signed, which showcased the vitality and endurance of this trade.

The pattern of specialization in trading area, as suggested by Hinton for London merchants in early 17th century, was obviously carried over to the end of the century. Most of the cloth merchants in the sample had remarkable level of regional specialization, which contributed to their mercantile networks, as it would become essential to their business whether they could participate in the trading companies and cultivate their own networks or not given the highly regulated nature of the early modern London overseas trade. Apparently, the sampled merchants' company membership largely corresponded with their regional preference. Moreover, many of them were also exceptionally enthusiastic in investing in the Bank of England and the New East India Company, indicating that a noticeably subgroup of the sample was particularly interested in following and contributing to the organizational innovations of London mercantile world in the late 17th century. A more detailed discussion on this front will be the subject of Chapter 4. Furthermore, an investigation of the sampled merchants' residential pattern and family structure revealed that the most active London merchants of the time tended to cluster around the mercantile facilities, most notably the Customs House and the Blackwell Hall, and they liked to marry later and keep a smaller household.

Out of sampled merchants, at least three prominent mercantile families can be identified: the Gores (3 PCC will testators), the Goulds (5 testators) and the Vernons (8 testators). It should be pointed out, though, not all these 16 testators can be precisely labelled as merchants. Several individuals whose wills were probated somewhat later are very likely just landed gentlemen and descendants of their merchant fathers or grandfathers. It can be deduced from the activities, number of business contacts, and the scale of legacies recorded in the wills that each family had at least two successful merchants, who along with their more aristocratic family members were regularly elected MPs.[70] Their stories will be told in the next chapter.

[70] History of Parliament Online: http://www.historyofparliamentonline.org/research/members (assessed 16 June 2017)

Chapter 3 Mercantile Families around 1700

'I take it for a Rule, and granted, that there is no Relation in the World, either natural or civil, and agreed upon, but there is a reciprocal Duty obliging each Party… And therefore, tho' the Parental Relation may seem, of all others, to be most at liberty; yet the Truth is this, that all the Right and Claim they have to the Love, Respect, the Service and Obedience of their Children, is founded on the Love they shew them, and the Good they do them, according to their Understanding and Ability…'.[71]

I. Approaching 'Family'

'The family can be regarded as a psychological, biological, social, economic, or political construct. It can be extended upward, downward, and laterally through intermarriage or by incorporating household servants. … It has never been a rigid institution, and its structure has changed continuously with the life cycle, as its members move in and out, marry, age, and die. Any individual belongs to two families – the family or orientation into which he was born and the family of procreation created by marriage. The family is therefore a moving target and is best defined in terms of what it is not, as occupying all the space not filled by other social institutions.'[72]

The previous chapters frequently mentioned the term 'early modern London mercantile community' which may have sounded an alert to many historians and, indeed, sociologists, as the concept of 'community' could be a complicated and even arbitrary proposition. This thesis has no intention of delving into the greater conceptual and methodological discussion of what defines and constitutes a community and how a community, potentially considered to be associated with a less developed society and economy, could evolve or transform into a more sophisticated construct, which may arguably be traced back to Ferdinand Tönnies.[73] It is, however, the design and objective of this thesis to inspect the early modern London merchants and their associations during a time of assumed qualitative transformation. Richard

[71] William Fleetwood, *The Relative Duties of Parents and Children, Husbands and Wives, Masters and Servants,* 3rd edition, London: E. Bell, 1722, pp.68-69
[72] Grassby, *Kinship and Capitalism,* p.9
[73] Ferdinand Tönnies, *Community and Society: Gemeinschaft and Gesellschaft*, ed., Charles P. Loomis, East Lansing: The Michigan State University Press, 1957, p.165

Grassby argued that the central assumption of Tönnies's dichotomy of gemeinschaft and gesellschaft was that the 'self-sufficiency and intimacy of the traditional family, which was extended and supported by a network of kin, was superseded by the nuclear family, based on the conjugal couple, individualism, and domesticity'. [74] This chapter, therefore, with the intention of drawing a picture of working London merchants living in a burgeoning market economy (which believed by Karl Polanyi to be a key force in driving the transformation to a more modern and impersonalized society) will make an effort to locate, map and investigate the network of their family and kinship under the perspective of them being social and economic constructs as Grassby proposed.[75]

The tradition and practice of researching family within the framework of an analytical model did not start with Tönnies's modernization model, and definitely did not end with it. Max Weber, as many sociologists have argued, walked in the steps of Heinrich Rickert, and developed his ideal types as a response to specific historical research problems while emphasizing the inductive development of ideal types and realizing that they are not pretheoretical concepts, but contain propositions about relations among variables.[76] Therefore, Weber believed that social doctrine and patterns of human behaviour, the 'internal states', needed to be subject to the change and stimulation of external agents, which led to his well-known assertion that ascetic Protestantism is a necessary cause of economic or capitalist development.[77] Based on these notions, Weber suggested that family, first evolved from clans, earned its early modern bourgeois character from Puritanism.[78]

On the other hand, Karl Marx and his followers focused their attention on the evolving of mode of production, which can be broken down to productive forces, relations of production and their interaction. Marx believed that division of labour and the genesis of private property gave birth to the individual family, in fact, he pointed out that the wife and children effectively became slaves of the husband due to the unequal distribution promoted by division of labour, and this latent slavery was the first property.[79] To support this claim, Marx used etymology to demonstrate the connection between slavery hence property rights

[74] Grassby, *Kinship and Capitalism,* p.2
[75] Karl Polanyi, *The Great Transformation: the Political and Economic Origins of Our Time*, Boston: Beacon Press, 1985, p.70
[76] Thomas Burger, *Max Weber's Theory of Concept Formation: History, Laws and Ideal Types*, Durham: Duke University Press, 1987, p.210, p.227.
[77] Gordon Marshall, *In Search of the Spirit of Capitalism: An Essay on Max Weber's Protestant Ethic Thesis*, New York: Columbia University Press, 1982, p.97, p.133.
[78] Max Weber, *General Economic History*, trans. Frank H. Knight, New York: Collier Books, 1961, p.50.
[79] Karl Marx & Frederick Engels, *The German Ideology*, edited by C. J. Arthur, New York: International Publishers, 1972, p.52.

and family: the Latin word for family *familia* originated from *famulus* which means domestic slave. *Familia* simply meant aggregate number of slaves belonging to one man. It was only later in Roman history that the word *familia* began to designate a new social organism that essentially captured the meaning of family or, probably to be more precise, household, as the head of this organism should have a wife, children, and a number of slaves under his paternal authority. The Marxist perspective on family, and the emergence and demise of the early modern nuclear family, could perhaps be best perceived in Engels's work. Following Marx's claim that individual family was, in essence, a social and economic organism the existence of which was rationalized by the genesis of private property, Engels suggested that monogamy 'was the first form of the family not founded on natural, but on economic conditions, viz.: the victory of private property over primitive and natural collectivism'.[80] In regard to the early modern family, Engels indicated that at the outset of the capitalistic mode of production that thrived on market exchanges 'by changing everything to commodities' – a scenario that simulates the economic context of early modern London covered by this study - the ability to form 'free contract' became the foundation of the new bourgeois family, in which family members needed to be on terms of mutual equality.[81] Whether it was a mere coincidence, or an empirical implication of Engels's theory, it is interesting to note that the idea of mutual equality resembles that of mutual responsibility in the contemporary work of William Fleetwood presented at the very beginning of this chapter. However, this free contract and mutual equality are not to be confused with free marriage, because, according to Engels, marriage is only free within a certain class because of the class and wealth differentiation which was promoted, again, by division of labour and private property, thus 'the full freedom of marriage can become general only after all minor economic considerations, that still exert such a powerful influence on the choice of a mate for life, have been removed by the abolition of capitalistic production and of the property relations created by it.'[82]

Later scholars have continued this tradition and proposed family models similar to those of Weber and Marx in the sense of trying to not only rationalize family as a socioeconomic construct but also draw a clear path of development from agrarian and pre-modern family to modern family accompanying the modernization of the society and the industrialization of the economy. Talcott Parsons, largely in the absence of historical experience, suggested that with the process of industrialization and urbanization institutions such as family had to change to

[80] Engels, *The Origin*, p.79.
[81] Ibid, p.96
[82] Ibid, p.98.

ensure there was a functional fit; thus, the extended family had to be replaced by privatized nuclear family, and the functions of family had to become more specific and irreducible.[83] Lawrence Stone, with 'every possible type of evidence', while accepted the assumption that early modern England was experiencing a gradual transition from a traditional, group-based, kinship-dominated society into a modern capitalistic one, explored the evolution of social attitudes towards the institutions of family and marriage which largely resembled a psychological revolution.[84] Shorter and Campbell continued the endeavour of demonstrating and arguing the modern evolution of sentimentalism in family. Shorter suggested that 'the logic of the marketplace positively demands individualism', and free market could only function to its highest potential if economic egoism in internalized by institutions such as family and household.[85] Colin Campbell, in an effort that could probably be described as revisit and extension of the Weber model, argued that emotions and sensibilities were mirror images of rationalized capitalistic work ethic that were influenced and inherited by ones' family members especially parents, and this connection was a clear demonstration of the 'kinship between Sentimentalism and earlier Protestant thought'.[86]

Many historians reject these attempts to apply general modernization models in explaining how the evolution of family organization passively conformed to external agents such as Protestantism in Weber's model and to the mode of production in Marx's model. For instance, it has been argued that individualism emerged in England long before the major economic changes of the early modern period.[87] Gerda Lerner blamed the agricultural revolution for the commodification of women and their services thus claimed that 'the enslavement of women, combining both racism and sexism, preceded the formation of classes and class oppression'[88] Richard Grassby suggested that 'In the early modern period kinship and capitalism complemented and reinforced each other; their relationship was not antagonistic but symbiotic'.[89] He acknowledged that as the dominant social institution, it was inevitable that family 'would change as the economy changed', but he also argued that family was, in its own right, a dynamic force in the economy, and 'without the capital and applied skills of family firms, there would have been no economic growth'.[90]

[83] Talcott Parsons & Robert Bales, *Socialization and Interaction Process*, London: Routledge, 1956, pp.3-34
[84] Lawrence Stone, *The Family, Sex and Marriage in England, 1500-1800*, New York: Harper & Row, 1977, p.10
[85] Edward Shorter, *The Making of the Modern Family*, New York: Basic Books, 1977, p.259
[86] Colin Campbell, *The Romantic Ethic and the Spirit of Modern Consumerism*, London: Macmillan, 2018, pp.212-213
[87] Alan Macfarlane, *The Culture of Capitalism*, Oxford: Basil Blackwell, 1987, pp. 132-134
[88] Gerda Lerner, *The Creation of Patriarchy*, Oxford: Oxford University Press, 1986, pp.212-213
[89] Grassby, *Kinship and Capitalism,* p.417.
[90] Ibid, p.417.

Grassby's suggestion of the relationship of social institution and economic growth being symbiotic is enlightening, but it is probably necessary to clarify that Marx's analytical framework was by no means unidirectional in terms of the said relationship. When challenging the neoclassical theory of economics in which the set of choices made by human beings are defined by constraints that are inherently exogenous, Douglass North recognized his New Institutional model to be a modification or extension rather than a rejection of the work of Karl Marx. North pointed out that Marx's elaboration of the productive forces with the relations of production was a pioneering effort to integrate the limits and constraints of technology with those of human organization.[91]

Marx's understanding of family as an apparatus that was brought into existence by the emergence of property rights and served to safeguard the same property rights under a certain mode of production was, unsurprisingly, built on the classical assumption of economic agents being *homo economicus* with perfect rationality and an agenda of maximizing personal utility, and regarded all irrationalities and actions not targeted at economic gains as anomalies, residues following the main function, or even 'historical immaturity'.[92] Later scholars, although usually recognized the defects of this rationalized model, still appreciated its value as a simple, contextual, yet largely effective approach to investigating social and economic transacting activities. As North demonstrated when defending the application of neoclassical behavioural assumptions in institutional analysis: these assumptions do not imply that all human behaviours are consistent with rational choices, rather, they rest on another more fundamental assumption that in an evolutionary and competitive situation only those who behave in such a rational manner will survive.[93] The social exchange theory founded by Homans tries to rationalize social relations and human behaviours by organizing them into a cost-benefit framework.[94] Michael Anderson had developed a model when studying the English family and kinship in a modernizing and industrializing society, which 'provide a coherent underlying rationale for … more often than not as post hoc rationalizations when faced with the problem of explaining particular differences in and changes in kinship relations' based on the social exchange theory.[95]

Nevertheless, Marx and Engels's theoretical framework identified family as a socioeconomic organism rationalized by private property, they arguably did not differentiate

[91] Douglass North, Is it Worth Making Sense of Marx? *Inquiry*, Vol.29, (March 1986), pp.57-63.
[92] Walter Cohen, *Drama of a Nation: Public Theatre in Renaissance England and Spain*, Ithaca: Cornell University Press, 1985, p.3.
[93] D. North, *Institutions*, p.19.
[94] George Homans, Social Behaviour as Exchange, *American Journal of Sociology*, Vol.63, No.6, (May, 1958), pp.597-606
[95] Michael Anderson, *Family Structure in 19th century Lancashire*, Cambridge: Cambridge University Press, 1971, p.197

it from formal organizations and constraints such as state and state legislation. As discussed above, this may lead to the following result: although Marx and Engels acknowledged the effect of family in securing private property, they tended to put this relation into the scope of formal constraints, e.g. the mode of production, thus overlooking the human emotions and interactions as well as the elements that are less involved in the relationships of production, which, according to the previous discussion, support not only the operation of family but also the systematic function and integration of the more general socioeconomic structure that family is embedded into.[96]

Therefore, a more comprehensive approach to investigating family should probably include human factors and irrationalities. For instance, affection could be a notable variable in prenuptial agreements (or, as more commonly known by contemporaries, marriage settlements) which was not an uncommon practice among the English middle class in the 17th century. Richard Grassby discerned a noteworthy rise in the popularity of this practice as the percentage of wills most likely involve such an agreement had increased from 3% before 1660 to 9% in the time period after that.[97] Peter Earle also observed that 15% of his post-1660 sample had some form of marriage settlement.[98] Depending on the situation, affection could be either a leverage or a liability in the bargaining process. When George Warner, a London merchant active in the 1630s and 1640s trading with Lübeck, was not satisfied with his potential wife's portion and tried to persuade her father to be more generous, the father used affection or, to be more precise, the lack of it on his daughter's part to add to his bargaining power claiming to Warner's intermediary that '… his daughter had noe mind to marry. You may believe and expound it as you please'.[99] Warner was then advised that if he insisted on further negotiation, the bride's family would require a jointure 'answerable to the portion'.[100] Not even the most prominent merchants of the City could escape the troubles brought by their children's romantic affection. The daughter of George Boddington, a leading figure of the London mercantile community active in multiple trading theatres and one of the first directors of the Bank of England, fell in love with one Ebenezer Collier, a clerk in Chancery, 'whose circumstances [were] not correspondent with what I had to give her'.[101] After a series of bargains and struggling, Boddington finally caved in to his daughter's

96 Richard Weikart, Marx, Engels, and the Abolition of the Family, *History of European Ideas*, Vol.18, No.5, 1994, pp.657-672.
97 Grassby, *Kinship and Capitalism*, p.71.
98 Earle, *The Making of the English Middle Class,* p.196.
99 TNA SP 46/83, Private Papers of George Warner.
100 Ibid.
101 LMA CLC/426/MS 10823/001, Commonplace and memo book kept by George Boddington and by Thomas Boddington.

marriage request but not without 'great regret … and since to my great trouble'.[102] Although the details of the marriage settlement remain unknown, it is very likely that Boddington's 'great trouble' involved some reluctant loss of estates and, probably more important for a merchant of his status, huge opportunity costs for being deprived of a more suitable son-in-law that would bring benefit to the family business.

This chapter will focus on the family members who played roles, either directly or indirectly, in the family business as part of the effort to uncover how the social and economic construct called 'family' would have influenced the business activities of early modern merchants and the formation and maintenance of their networks. Therefore, it is necessary to also include the family members that are usually not considered to be key players in the family business. In 1974, when Eric Richards examined the roles of women in the modern British economy, he wrote that 'the economic history of women is a neglected field'.[103] Nearly half a century has passed, the landscape of British historiography in regards to gender history has considerably changed, and 'awareness of the importance of gender is an increasingly important part of many economic historians' work'.[104] When writing on the economic history of early modern England, historians, such as Earle and Grassby, usually have dedicated chapters or discussions demonstrating the roles played by women in the mercantile community, and some of the discussions are not limited to marriage life and family.[105] More recent studies by writers such as Pamela Sharpe and Alexandra Shepard argued that women were an organic and active force of early modern English mercantile community. taking on responsibilities ranging from investment and asset management to running their own enterprises of long-distance trade and high finance.[106] However, these studies were either focusing on women's supporting roles in mercantile families or trying to incorporate the stories of women into the traditional narratives of commercial history by arguing that an outstanding yet still relatively small group of women were carrying out the 'men's job'. It is worth mentioning that in one article, Alexandra Shepard, after showcasing the experiences of lending and investment of two married women working in a partnership from the early 17th century, made an interesting argument that women's responsibilities of

[102] Ibid.
[103] Eric Richards, Women in the British Economy since about 1700: An Interpretation, *History*, Vol.59, No.197 (1974), pp.356.
[104] Pamela Sharpe, Continuity and Change: Women's History and Economic History in Britain, *The Economic History Review*, New Series, Vol.48, No.2, (May, 1995), p.353.
[105] See Earle, *The Making of the English Middle Class*, pp.158-166; and Grassby, *The Business Community*, pp.302-334.
[106] Pamela Sharpe, Gender in the Economy: Female Merchants and Family Business in the British Isles, 1600-1850, *Histoire Scociale/Social History*, Vol.34, No.68 (2001), pp.283-306.
Alexandra Shepard, Crediting Women in the Early Modern English Economy, History Workshop Journal, Vol.79, No.1, (Spring, 2015), pp.1-24.

asset management regarding their households' 'stuff' underpinned their households' ability to negotiate credit; therefore, instead of being detached from commercial economy, they 'enabled that economy to function'.[107] Although this argument still drew on women's responsibilities in commercial undertakings to accentuate their impact on economy, it nonetheless came closer to investigating women's input on the level of the overall economic and social system. Amy Louise Erickson is a good example of researching women's influence on a framework level. She turned to the formal constraints seeking answers from the English legal tradition, and argued that at least part of the reason why England developed an extensive capitalist economy earlier than elsewhere in Europe was the unique gender structure of English property law.[108] By investigating women's standing in the legal framework which when collaborates with other institutions to form the overall socioeconomic framework which in turn determines the economic performance of England, Erickson is able to make a seemingly bold yet perfectly logical and promising argument. When family is no longer considered an independent social construct but being embedded into a more general level of socioeconomic framework as suggested by scholars such as Polanyi, or associated with more fundamental socioeconomic relations as suggested by scholars such as Marx and Weber, then if certain female members can be proved to have played vital roles in keeping the family network together, by marriage for instance, they have the potential to be also vital to their family business. Because each merchant family is, more often than not, also a very basic unit in the early modern London mercantile community, certain key female individuals in certain key mercantile houses may possess very considerable influence on the entire system. Furthermore, this logic of discussing women's systematic influence also applies to the less mercantile male members of the family, men who were less involved in trading or perceivably detached from commercial activities. As long as they possess some weight in the family network, by producing heirs to succeed the family business or using their social and political standing to promote its operation, they have the potential to exert great influence on the overarching mercantile network. Sometimes, a huge, sophisticated machine can suffer from malfunction or even complete breakdown when certain seemingly insignificant parts are missing, which, interestingly, makes these parts no longer insignificant.

Besides historians and sociologists, recent economists have also been working on modelling the family and its economic implications. The theme that received the most

[107] Alexandra Shepard, Mending their own Business: Married Women and Credit in Early Eighteenth-Century London, *Transactions of the Royal Historical Society*, Vol.25, (December 2015), p.74.
[108] Amy Louise Erickson, Coverture and Capitalism, *History Workshop Journal*, (Spring, 2005), No.59 (Spring, 2005), pp.1-16.

attention is probably the security of property rights.[109] This provides a good opportunity to incorporate these studies with the Marxist framework which focused on the organic connection between family and property rights. Writers such as Guido Tabellini, Claudia Williamson, and Carrie Kerekes have introduced and promoted a very interesting model that may help build the analytical framework for this chapter. When studying the potential causal effect of culture on the economic development of 69 regions in 8 major European countries, Tabellini identified four variables – trust, respect, control or individual self-determination, and obedience - through which culture could constrain human behaviours related to social and economic interactions which could in turn serve to regulate and protect property rights.[110] Tabellini found that except for obedience, all the other three variables had positive effects on economic performance.[111] Williamson and Kerekes construct a culture index for 80 countries around the world using Tabellini's four variables.[112] According to their interpretation, trust could reduce the costs of monitoring and lower transaction costs; respect works to facilitate the exchanges among different groups and communities; control motivates individuals as they believe they can reap the benefits of their efforts; and obedience ensures that the group or community could work as a collective unit.[113]

It is not difficult to realize that family entails all these four variables. Family members tend to share certain level of mutual trust and respect. If not by familial bonds or love, this could be achieved by property inheritance across different generations. Obedience was arguably more powerful in the early modern era when the patriarchal family was still more pervasive, and the father figures usually dominated the social and economic resources of the family. Probably the most noteworthy and peculiar variable for mercantile families is control. As will be shown in the following research cases, merchants frequently set up their sons, or nephews or sons in law in lieu of sons, to succeed their business. Provided these appointed successors were also interested in this trade, they could be expected to dedicate a certain level of effort to the business because they had, to a large extent, control over the results of their effort by inheriting what they worked for. It could be considered that in these cases, the principal-agent problem could be largely abated as the heirs had inelastic blood stocks in the

[109] See Gerald Scully, The Institutional Framework and Economic Development, *Journal of Political Economy* 96 (3), pp.652-6; Peter Boettke, The Political Infrastructure of Economic Development, *Human Systems Management*, 13, pp.89-100; David Leblang, Property Rights, Democracy and Economic Growth, *Political Research Quarterly* 49(1), pp.5-26; and David Landau, A simple Theory of Economic Growth, *Economic Development and Cultural Change*, 52(1), pp.217-35.

[110] Guido Tabellini, Culture and Institutions: Economic Development in the Regions of Europe, *Journal of the European Economic Association*, June 2010, Vol.8, No.4, pp.677-716.

[111] Ibid, 686.

[112] Williamson & Kerekes, Securing Private Property, pp. 537-72.

[113] Ibid, pp.547-549.

family business. And this again reinforces Marx's claim that family is an organism for securing property.

Consequently, the analytical approach used in this chapter is devised with an attempt to incorporate ideas and perspectives from a variety of modernization models, especially the Marxist theoretical framework on family. It focuses on the functions of family in protecting and securing mercantile property rights. In addition, this approach also includes human factors, and discuss the indirect roles played by certain family members as an organic component of the family and community system. The three research cases demonstrate three different scenarios in which mercantile property rights could be secured by family bonds. The Gould family is a 'typical' mercantile nuclear family whose family business endured through three generations of father-son successions. The Vernon family shows how in lieu of direct heirs, an extended family network could intervene and secure the family business. The Gore family is a good example of forging marriage alliance between different mercantile families. Social Network Analysis is also introduced at the end of the chapter as an analytical tool to provide some extra insights and quantitative data to test, complement, and extend the qualitative discussions made in this chapter.

II. Wills – both a source and an analytical tool

The majority of the research in this chapter is based on the wills probated in the Prerogative Court of Canterbury (PCC wills). Wills in general are a familiar source to historians of varied interests, and the PCC wills can provide vital information on an individual's family relations, mercantile and civil affiliations, as well as personal and real estates – all indispensable to reconstructing the business experience and family networks of the merchants in the database discussed in the previous chapter. Furthermore, it is also promising and necessary to carry on an institutional analysis on wills and administrations to decipher the institutional implications for the parties involved – the testators, the beneficiaries, the executors, etc. so that we can set out a certain framework in which the study in this chapter can take place.

Wills can be considered an instrument that allow the testators to exert control over their property – and their heirs – after their death. Administration is a grant, made by relevant courts, authorizing an appropriate person to administer the estate when no valid will has been left by the deceased, who is, in this case, called an intestate. Therefore, wills and administrations may work to channel the incentives of rational economic agents towards capital accumulating behaviours by providing protection and the promise of perpetuation for their property rights with the grant of control over their estates. Interestingly, this function of wills may have only been increasingly apparent during the age of renaissance as part of a larger economic transformation.[114] It had been argued that wills, and similar instruments 'whose original purposes were to provide inter- or intra- familial systems of exchange became the formalized instruments of commerce, banking and trade, in other words, devices for the transmission of business capital', which could largely be attributed to 'an increasingly elaborate bureaucratic structure whose rationalized relationships might be defined with precision'.[115] Therefore, besides being a major source of this chapter, inspired by the various modernization models, wills is also an important analytical tool to investigate the formation and perpetuation of mercantile capital as well as an integrated component supporting the performance of early modern London mercantile families.

Firstly, wills present a resolution to the problem of provisions for the family members who are less able in supporting themselves such as women and under-age children, thus, keeping the integrity of the mercantile family unit which would secure the family business as future family members are potential resources that could be utilized for multiple assignments including marriage and partnership opportunity. Maintaining internal stability also help to build trust among family members.

Before the year 1726 when the practice of dower or thirds was abolished for the City of London, a freeman's widow was entitled to one third of her husband's personal estate.[116] Reference in a will to dower or thirds is a sign of the testator's identity as a freeman of the City, which could be helpful to identify a citizen testator since mentioning one's livery company was less common in this era. This practice is reflected explicitly in many PCC wills when the testators were subject to this particular custom of London and their wives were still alive when the wills were probated. For example, Samuel Shepheard whose will was probated in 1719[117] 'being a freeman of the City of London', was subject to 'the customs of the said City', that is to say he was obliged to leave one third of all his goods, chattels and

[114] Constance Jordan, *Renaissance Feminism: Literary Texts and Political Models*, Ithaca: Cornell University Press, 1990, p.16

[115] Susan Mosher Stuart, 'Did Women lose Status in Late Medieval and Early Modern Times?' in Elizabeth FoxGenovese and Susan Mosher Stuart, eds., Restoring Women to History: Materials for Western Civilization, Fund for the Improvement of Post-Secondary Education and the Lilly Endowment, p.180, p.188

[116] Edmond Gibson Atherley, *A Practical Treatise of the Law of Marriage and Other Family Settlements*, Philadelphia: John S. Littell, 1840, p.8.

[117] Since the testators whose wills are being examined in this study tend to have same or very similar names, which is especially common if they are from the same families, from now on, their names will be followed by the dates of their will's probate. For instance, in this case, Samuel Shepheard will be designated as Samuel Shepheard (1719).

personal estates to his wife after the payment of his debts and funeral expenses.[118] However, at least some London merchants sought greater flexibility with regard to dower. When Robert Foot (1714) married his wife in 1679, he was not a freeman of the City. Nonetheless, he made a marriage settlement 'by force and customs of the City of London' with his future wife and her trustee in case he should become a freeman or 'the like effect'. Although whether Robert had earned his freedom by the time of probate is not revealed in the will, he did offer Anne a sum of £8000 'in satisfaction and discharge of all and every the covenants and agreements whatsoever which I made with her my said wife or her said Trustee before or upon marriage' should she prefer this £8000 to her share of his estates articulated in the marriage settlement.[119] If Robert Foot (1714) was indeed a freeman of the City by the time of his decease, the aforementioned arrangement in his will shows that although he was still practically bound by the City Custom of thirds, he could discharge the marriage settlement with an alternative bequest of equal or greater value in cash so that his other estates could be disposed of at his will. In fact, many merchants would want to go a step further than Robert Foot (1714), and not following the Custom of London was not uncommon among wealthy Londoners of our period demonstrating a great flexibility and liberty in devising the transmission of one's wealth.[120]

Bequests and legacies to under-age children are frequently made in the wills regardless of the testators' citizenship status and place of residence at the time of their decease. A good example would be Paris Slaughter (1693) who was a citizen of London, member of the Mercers' Company and factor of Blackwell Hall before retreating to Hertfordshire in retirement. He had 6 children, 5 of whom were under-age when he made his will.[121] Probably thanks to his career as one of the 30 or so Blackwell Hall factors who played a central role in English wools and woollens trade, and were capable of accumulating as much as £50,000 worth of wealth from humble beginnings, Mr. Slaughter was able to leave large portions to his young children in his will.[122] He left £2500 to Mary, £2000 to Katherine, and £1500 each to Elizabeth, Frances and John 'when they shall attain their respective ages one and twenty years or be married which shall first happen'.[123] It is unfortunate that we can only get a

[118] TNA Prob 11/567/81.
[119] TNA Prob 11/540/296.
[120] Henry Horwitz, Testamentary Practice, Family Strategies, and the Last Phases of the Custom of London, 1660-1725, *Law and History Review*, Vol.2, No.2 (Autumn, 1984), pp.223-239.
[121] Sir Henry Chauncy, *The Historical Antiquities of Hertfordshire*, London: Printed for ben. Griffin in the Great Old Baily, 1826, p.14.
[122] George Clarke, *A Treatise of Wool, and the Manufacture of it*, London: Printed for William Crooke, 1685, p.16.
[123] TNA Prob 11/416/230.

glimpse of his wealth as a retired Blackwell Hall factor, as he left the rest of his real and personal estate to his sole executor and eldest son whose name was also Paris Slaughter.

Apart from maintaining harmony and strengthening bonds within a family, explicitly and clearly settling provisions for certain family members also helps to reduce uncertainty when disposing the testators' business estates. Disputes by close relatives, regardless of whether they were under-age or adults by the time of probate, over personal and real estate could potentially be averted as the distribution of such assets is normally articulated in the wills with very professional and accurate legal language sponsored by a court with recognized authority. The limitation of provision is also clearly defined so that the beneficiaries were not able to make excessive or unreasonable demands that would jeopardize the integrity of the estate. In the case of the Gould family, which will be inspected later in the chapter, John Gould (1695), a London merchant whose wife must have been dead by the time he made his will, which makes no mention of her, defined precisely what should be left to his 3 surviving children besides his heir Nathaniel Gould (1728). To his daughter Mary Haveing, he confirmed a sum of £500 that have 'already advanced her in marriage'; to his other daughter Elizabeth, he left £2000 in cash; to his younger son John Gould (1736) who also turned out to be a rather successful London merchant, he left £1000 in cash and the land of Bevenden should Nathaniel die without an heir. After these, John made a series of bequests to a number of beneficiaries without even mentioning his heir Nathaniel. At the end of his will, John nominated Nathaniel as his sole executor, and indicated clearly that to the said Nathaniel 'I give all the rest and residue of my estate'.[124] Such arrangements are almost universal among the London merchants whose wills have been examined in this study. They could be interpreted as a method to clear the path for the merchants' heirs who tended to be their eldest surviving sons, to inherit the majority of their estates. This shows the contribution of wills as legal instruments made to perpetuate mercantile capital through family lines, which may be partly responsible for or at least legally reaffirmed the narrowing mercantile community in late 17th century and early 18th century London that has been identified by historians such as Peter Earle.[125]

In addition, wills and administrations are in their nature enforcing legal documents, the enforcement of which is endorsed by courts of recognized authority, in this case the Prerogative Court of Canterbury. The granting of probate allows the executor or executors to

[124] TNA Prob 11/428/389.
[125] Earle, *The Making of the English Middle Class*, p.141.

administer the will – the legal term for putting the provisions of a will into effect.[126] Individuals who made wills presumably expected that the articles in them would be administered and enforced by law after their deaths, and should there be any discontent or disputes they would be addressed within an existing legal framework which, in practice, was hardly unheard of, as probate litigation formed a significant part of the activity of the PCC and the Chancery.[127] Such an instrument, no matter how effective to the parties of interest it might be, without proper and reasonable enforcement would only be an empty promise. Fortunately, England and Wales had a probate system, which had been constantly improved since medieval times, undertaken by ecclesiastical courts that were able to provide legal enforcement endorsed by a mixture of ecclesiastical law (comprising civil law and canon law), common law and statute law, a signature of modernization in terms of the rise of state and bureaucracy.[128]

To resolve the disputes over the jurisdiction in terms of probating wills within the hierarchy of ecclesiastic courts, a rule of *bona notabilia* (noteworthy goods) was introduced by the Canons of 1604 which specified that only the testators who died with estates totalling £5 or more (£10 in the case of London) in more than one diocese were to be dealt with by the archbishop's court; and those not qualified should be received by a lower ecclesiastical court.[129] This rule, however, was not strictly observed for the century to come, because persistent inflation tended to render the fixed threshold for noteworthy goods obsolete, and the archbishops had the habit of encroaching upon the territory of the bishops.[130] Consequently, by the late 17th century and early 18th century, the number of testators whose testamentary business was conducted in the prerogative courts very likely exceeded the number of people originally falling in the their jurisdictions as defined in the 1604 canons.[131] In the database of National Archives under the category Prob 11 – Prerogative Court of Canterbury wills between 1384 and 1858, 674 returns could be found for the decade of 1690-

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126 Karen Grannum & Nigel Taylor, *Wills and Other Probate Records*, Kew: The National Archives, 2004, p.6.
127 R. B. Outhwaite, *The Rise and Fall of the English Ecclesiastical Courts, 1500-1860*, Cambridge: Cambridge University Press, 2007, pp.36-39.
128 See Michael M. Sheehan, *The Will in Medieval England*, Toronto: Pontifical Institute of Mediaeval Studies, 1963, pp.163-231.
129 For detailed information and the canons themselves, see Charles Henry Davis, *The England Church Canons of 1604: With Historical Introduction and Notes, Critical and Explanatory*, London: Printed by C. Roworth and sons, 1869, pp.97-98. This rule of *bona notabilia* applied to every level of church courts. Therefore, if the testator had property in more than one archdeaconry but all in the same diocese, then his or her will would be probated by a bishop's court (also known as a consistory or commissary court). If the testator died with property within one archdeaconry, then his or her will would be probated by an archdeacon's court.
130 Alexandra Shepard, *Accounting for Oneself, Worth, Status, & the Social Order in Early Modern England*, Oxford: Oxford University Press, 2015.
131 Grannum & Taylor, *Wills and Other Probate Records*, p.15.

1699 that belonged to mariners from Surrey. In the case of Middlesex, 3195 mariners' wills could be found in the said database. Of these testators, people like Joseph Cother who barely had any estate other than his wages in due were quite common.[132]

Currently, 2022 testators whose wills were probated in the Prerogative Court of Canterbury during the period 1690-1750 were clearly stated to be 'merchant of London'. Of the 193 merchants and partnerships investigated by this study, 84 individuals' wills could be located from the database of PCC wills. In order to study their families and contacts, 42 further wills have been studied making a total number of 126 PCC wills examined. The testators of these 42 wills were either close relatives or business contacts of the 84 London merchants. Lastly, it should also be noted that in the late 17th century, English people tended to select their names from a rather limited naming pool, and the practice of passing on family names throughout generations was also common. As a result, the selection of 126 testators may be subject to errors.

Probably the major weakness of using PCC wills as a source in this study is that they seldom provide direct evidence regarding the merchants' everyday trading activities. It is of utmost importance to recognize the fact that wills are by their nature a tool to dispose of one's estates and secure the provisions of one's designated beneficiaries after his/her death. Unlike inventories or private business documents, wills do not necessarily need to display the business contacts, transactions, and estates in detail. In fact, almost none of the wills mention any detailed posthumous arrangements concerning commercial or financial issues (although there are occasional exceptions).

A good comparison would be between a PCC will and an Orphans' Court Inventory. In the will of Daniel Wigfall (1699), a successful 'Turkey merchant' of his time, he first devised 1/3 of his personal estate to his wife Dorothy, and then bequeathed another 1/3 of his personal estate to be equally distributed among his nine under-age children, both without any detailed references as to the content of the estates bequeathed. After that, out the residue of his personal estate, he bequeathed to his wife and children individually cash sums worth £100 or £150 as well as nine annuities of £100 per annum to each of his children. Lastly, he devised two of his real estates in Yorkshire in trust for the benefit of his wife and two elder sons. At the end of his will, Wigfall named his wife as the sole executrix but at the same time also named two overseers: Sir Philip Gell and Captain William Gunn.[133] This is a typical PCC will in which the testator disposed of his personal and real estates to provide means for his widow

[132] Prob 11/418/52.
[133] Prob 11/450/70.

and children after his death. In terms of personal estates, there were nearly no indications as to which specific item was left to which beneficiary. It is impossible to conclude what '1/3 of my personal estate' exactly entailed, although the testator was obliged to devise these one-thirds bequests approximately equally. In the bequest of the last third of his personal estate the testator did mention a series of fixed amount of cash and annuities, yet there were no clues based on which a researcher could tell where these assets would come from his account books. Besides, there is an uncertainty as to whether the estate was worth as much as the testator believed. The execution of this will was fully left to the named executrix under the supervision of two overseers whose identities and relations with the testator are not explained in the will.

In contrast, the entry made for Daniel Wigfall (1699) in the Orphans' Court Inventory has far more information about his business and financial situations at the time of his death. According to the records, Mr. Wigfall had personal belongings ranged from blankets to golden rings that were valued at £397 10s, along with ready money of £3770 9s 5d making the total valuation of his cash and household goods at £4168 7s 5d.[134] The clerks who were responsible for making this entry only left several lines for the item 'ready money'. If only cash fell under this category without any consideration for easily liquidated assets such as bonds and annuities, which is likely to be true judging by the information provided later, it is helpful to remember the substantial requirements for cash to the working capital of a Turkey merchant by the end of the 17th century. The records become much more detailed when they begin to account for Mr. Wigfall's debts and credits. As it turned out, he had credits that totaled £10963 10s 11d and owed debts at £756 4s. Probably the most revealing section in this inventory is the one for credits. This section not only recorded the names of the debtors and sums of debts but also frequently kept more detailed information for each entry, which presents us with a clearer picture of the structure of Wigfall's estate, and sheds some light on his way of conducting business. The testator's capital as shown by the composition of his credits was quite diversified including bonds, stocks, bottomries, shares of various ships, bank notes, annuities, and lottery tickets. At the time of his decease, Daniel Wigfall held £1109 of old East India Company stocks, one bottomry bond of £391 from the same company, and a £150 credit owed by the new East India Company showing that he had business with both companies. He had shares in eight different ships including one named Wigfall. A certain Eliza Wigfall owed the testator £500, and another £500 was due from John

[134] LMA CLA/002/02/01/2536.

Wigfall & Co. as bonds. According to Daniel's will, he maintained a business relationship with his brother who was also a merchant. One of the overseers in his will, Sir Philip Gell, owed him £1000 in bonds, and Francis Gell, Philip's brother, was also indebted to him for a sum of £1168. This indicated that Daniel might have had close business relations with the Gell brothers, and his trust in them had reached to a point that he would give one of them the responsibility to oversee his will. Although the other overseer, Captain William Gunn, did not appear in the inventory, it is possible that he could be one of the ship captains who were in charge of carrying Wigfall's goods to the Levant. Additionally, the inventory also recorded several ongoing mercantile adventures that were still unsettled by Wigfall's death. The destinations of these adventures were scattered along the Levant including Smyrna, Cairo and Scanderoon, the window to Aleppo, which are also popular receiving ports in the Port Books for Levant merchants. Of course, there are also numerous sub-entries that did not make clear reference to a specific type of transaction, which could be indications of any form of debts owed to the testator leading to the possibility that not all of them were business related.

However, just as PCC wills did not reveal the business lives of the testators, inventories left their personal and family lives unattended for the same reason – the documents were not designed to give such information. In addition, as demonstrated above, it is not infrequently the case that the wills would mention a number of potentially important names, which after consulting other sources could notably contribute to the work of identifying the testators' business contacts. Therefore, despite the limitations of PCC wills in providing unequivocal information concerning the testators' business, they are still indispensable in reconstructing the family and mercantile networks for the merchant families investigated in this chapter.

III. The Gould Family – a Case of Father and Sons

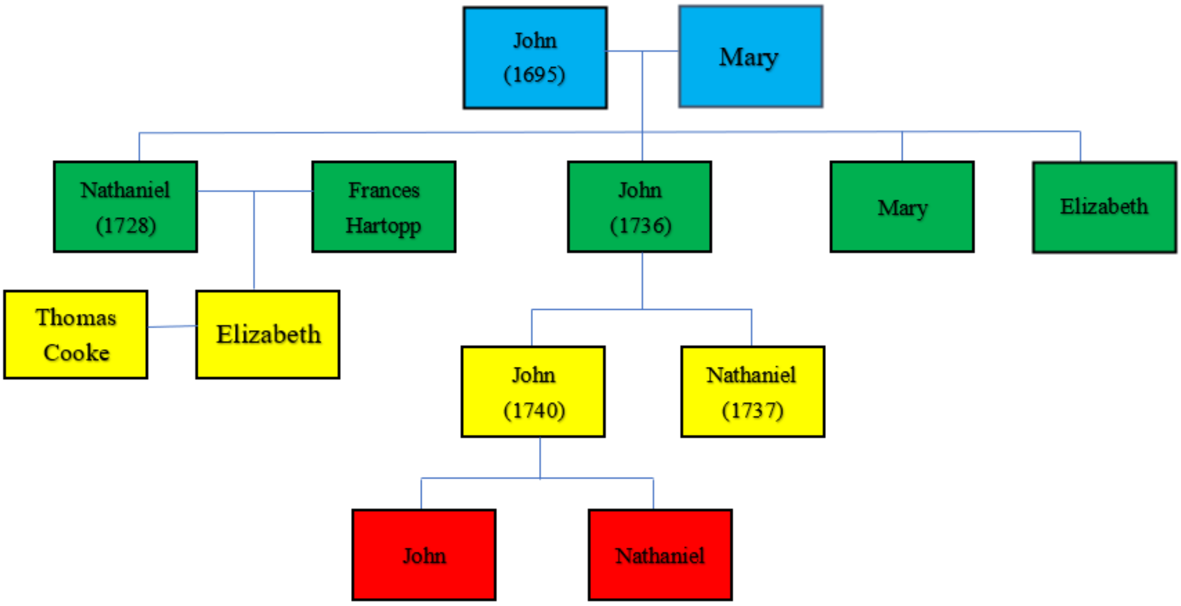

Figure 3.1 Gould Family Tree

Source: See text

Note: Different colours for each generation.

Family historians such as Grassby and Laslett have devised an elaborate classification system to distinguish different forms of family, and nuclear family, extended family, and household are the three most important categories, especially when studying a period in transformation as previously discussed.[135] This chapter mainly focus on nuclear and extended family with this section investigate the former. Laslett has demonstrated that, contrary to most modernization models, nuclear family was probably the more common family form in pre-industrial communities.[136] Indeed, of the 84 investigated wills, 56, or slightly more than half of which, predominately mentioned immediate family members in terms of kinship inclusion, and these wills usually imply testators' plans for their family business mostly in the forms of allocation capital and means of production.

A good example would be the case of Anthony Merry (1720), displayed in the database as a Hamburg merchant, who was not one of the biggest players in this field but a relatively active one nonetheless, in the top quartile of the merchant population in the sample in terms

[135] Grassby, *Kinship and Capitalism*, pp.9-10

[136] Peter Laslett, Family, Kinship and Collectivity as Systems of Support in Pre-Industrial Europe: a Consideration of the 'Nuclear-Hardship' Hypothesis, *Continuity and Change*, Vol.3, No.2, 1988, pp.153-175

of the number of entries in the Port Books. Although the will mentioned four sons and a daughter, it is visible from the devises of the will that two of the sons, Richard and Anthony, were chosen as co-successors of their father's business and estate. [137] They were nominated as joint executors, each received a substantial bequest worth £12,000 and the residue of the testator's estates and parts of ships. They were entrusted with a variety of trusts created to benefit their other siblings in the form of purchasing fee simple land, and if the siblings in question should die before the trusts could be realized, they would be named as the beneficiaries of these trusts. However, Merry (1720) had made it very clear that Richard and Anthony's legal claims to the purchased land would be 'in common not joint', which means neither of them could own the whole of the newly purchased property, instead they should own the property by shares. More importantly, Merry (1720) specifically instructed that if Richard and Anthony were to form partnership to carry on his trade, they would be bequeathed his household goods. All these devises had shown Merry's clear intention of encouraging Richard and Anthony to work together on equal terms in the continuation of the family business. It should be noted that a more common practice would be appointing a main heir and encouraging other sons to set up their own business or work in assistance with the heir. The reason behind Merry's devises to make his two eldest sons heirs on equal terms is probably that these two brothers were nurtured into their father's business at young ages and served as his left- and right-hand men without preference. Or it could be that they were already established as independent merchants with their own means, and their father planned to incorporate their trade to perpetuate the family business. Either way, the inheritance scheme of the Merry family had demonstrated how immediate family members could help a business to potentially integrate and grow.

It is, of course, acknowledged that not all mercantile families would groom their next generation into the trade of merchandizing. In fact, it was quite common for merchants to set their sons up in other respected professions, for example in a legal career or government service. In richer business families, the eldest sons were often set up as gentlemen 'with an independent income from land, urban property, stocks, or annuities'.[138] However, it should be noted that even in the cases when the eldest sons were planned a landed career, the fathers may still be determined to perpetuate their properties with the help of their younger sons. Francis Asty (1694), an alderman of the City, left the majority of his landed estates to his first-born Ambrose who had already inherited a series of provincial estates, mainly in

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137 TNA PROB 11/574/98.
138 Grassby, *The Business Community*, p.363.

Hertfordshire, from his maternal grandfather Ambrose Bronskill, also an alderman of the City.[139] On the other hand, Asty decided to give his younger son Francis (1712) an extra one fourth of his personal estate and nominated him the sole executor of the will. Because, as suggested in the codicil of Asty's will (1694), Francis junior used to work with his father with a joint stock in trade and was in charge of his father's cash book, Francis the elder was clearly aiming for the family business to be carried on.

In terms of immediate family members participating in the family business, probably the most interesting case from the sample is the Gould family. Of the 1262 qualifying Port Books entries, six are under the name 'John Gould', and seven are under the name 'Nath & Jn Gould', which makes the entries under the name 'John Gould' amount to 13. If all the registered 'John Gould' indeed referred to the same individual, the activity level of this merchant would easily surpass most of his peers in the sample. In addition, most of these shipments were sent to the Baltic with only one exception to India. This indicates a potential major Eastland mercantile house based on partnerships established by brothers, fathers and sons, or uncles and nephews. The study of wills and other sources confirmed this indication by identifying a Gould family which produced many important figures in the mercantile and financial arenas of the City during the period from the late 17th century to the early 18th century.

The origin of the Gould family is, in comparison with the other families discussed in this chapter, rather obscure. We only know that John Gould (1695), the earliest traceable character of this family who took to merchandizing as a profession, was most likely a Nonconformist, and he was probably descended from a smith in Hertfordshire.[140] Although his will is relatively short, it adequately displayed the wealth of the testator, a 'London merchant'. A total of £2500 was bequeathed to his three children other than the heir. John was also very generous towards his more remote relatives and active in charity works. He left £300 to one of his cousins, and a series of bequests to Christ's Hospital and the local Nonconformist community. At the time of his decease, his family had more than one servant. Two particular bequests demonstrated the testator's mercantile network in the Baltic trade: one was devised to the children of a Mr. Richard Daniel, 'late of Riga', the other to a Mr. Edmund Sherman,

[139] TNA PROB 11/423/230.
Alfred P. Beaven, 'Notes on the Aldermen, 1502-1700', in *The Alderman of the City of London Temp. Henry III-1912*, London: Corporation of the City of London 1908, pp.168-195.
[140] Paula Watson & Sonya Wynne, *Nathaniel Gould, History of Parliament Online,* https://www.historyofparliamentonline.org/volume/1690-1715/member/gould-nathaniel-1661-1728, (accessed 4th September 2016)
TNA PROB 11/428/389.

with whom the testator might still have some unfinished business 'about the lead at Narva which account I cannot tell how it is'. At the end of the will, John made it very clear that his three non-heir children, Mary, Elizabeth and John, must give up claims to the rest of his estate, which was left to his eldest son and heir Nathaniel Gould who was also the sole executor of the will, and eventually became one of the central figures in the economic and political circles of the City.

As the third yet first surviving son of John Gould (1695), Nathaniel Gould (1728) inherited his father's wealth and business along with his brother John Gould (1736) without the struggle of establishing themselves as the first generation of mercantile adventurers from beyond the City walls. John (1695) took Nathaniel into the Levant Company under his own apprenticeship when Nathaniel was only 16.[141] However, although admitted to the Levant Company, the Goulds were not committed to the Turkey trade only, nor did they even treated the region as their main interest. Nathaniel first came to prominence after the revolution of 1688 when he became one of the largest suppliers of hemp, pitch, and tar to the Royal Navy indicating that he had plausibly created a trade connection on a large scale with German and Baltic regions. In this capacity, immediately before the War of the Spanish Succession, he played an important role in providing the navy with Russian hemp from Archangel in place of the supplies that could no longer be obtained from Riga, beleaguered by the Russians.[142] Nathaniel's business in Russia was by no means limited to naval supplies. He and his brother John were also members of the group of tobacco contractors who secured the right to export tobacco from England to Russia in 1698. Until this moment, Narva was the most significant entry point into Russia for the tobacco trade before the Archangel route opened up. Even though the Muscovy Company did not itself trade to Narva, it generally issued licences to English merchants who were not themselves members, a licence that Nathaniel paid for £50-£60 annually for not being a member. It was with this opportunity that Nathaniel gained admission to the Muscovy Company in 1699 and eventually became a director and governor in the 1720s.[143] Nathaniel's ambitions in the Russian trade were based on his estimation that once the trade was opened up woollen exports might be trebled, and the trade in colonial

[141] SP 105/153, Minute Books of the General Court of the Levant Company, 1669-1676.
[142] Oxford Dictionary of National Biography, http://www.oxforddnb.com/view/10.1093/ref:odnb/9780198614128.001.0001/odnb-9780198614128-e-37477, (accessed 13th September 2016)
[143] Paula Watson & Sonya Wynne, *Nathaniel Gould, History of Parliament Online,* https://www.historyofparliamentonline.org/volume/1690-1715/member/gould-nathaniel-1661-1728, (accessed 4th September 2016)

produce increased extensively.[144] It is noteworthy that the will of John (1695) mentions contacts in both Riga, an important venue for obtaining naval supplies before the very end of the 17th century, and Narva, a key position to the Russian trade. Although Nathaniel made no such references in his own will, it is likely that he also inherited the mercantile connection and contacts either when his father passed away, or as a result of being nurtured in the trade at a still relatively young age by his father. On either occasion or both, this family bond between father and son had proved to be an essential component to the establishment and expansion of a young merchant as well as the perpetuation of a mercantile house.

Despite the limited business information in his will, Nathaniel Gould (1728) did disclose his connection with the Bank of England and his career as a financier or banker through the terms of several bequests. The will indicated that in the year of 1728, Nathaniel was in possession of at least £5,000 worth of stocks of the Bank of England, a sum that is unmatched by any individual discussed in this chapter. As a son of a wealthy London merchant and a man of trade himself, Nathaniel's interest in the Bank was apparent in the days of its foundation. He was instructed to draw up its first by-laws, and personally invested £2,000 to the original subscription.[145] No doubt the positions that he later held as one of the directors of the Bank from 1697 and eventually the deputy governor and governor in the early 18th century had also contributed to his accumulation of such a significant amount of Bank stocks.[146] Since he, like many of his fellow merchants, was dying without any descendant in the male line, Nathaniel left all of these stocks to his grandchildren, under a trust supervised by his sons in law and his daughter Elizabeth should the grandchildren die before marriage. He also instructed that if Elizabeth died without heirs the stocks should be bequeathed to his nephews John (1740) and Nathaniel (1737), both sons of his brother John, an arguably less successful merchant compared to Nathaniel. It is noteworthy that although Nathaniel named his brother John as the sole executor of his will, he did leave the rest of his estate to his two nephews, which effectively made them his heirs. In the absence of inventory sources, there are no reliable means of ascertaining the exact content of his estate. However, it is highly possible that the estate would include business assets such as debts and credits, bonds, cash, goods, etc., and it may also contain more stocks of the Bank of England other than the £5,000 specifically disposed of in the will. Even if his nephews did not receive any bequests in the

144 Jacob Price, The Tobacco Adventure to Russia: Enterprise, Politics, and Diplomacy in the Quest for a Northern Market for English Colonial Tobacco, 1676-1722, *Transactions of the American Philosophical Society New Series*, Vol.51, No.1 (1961), p.39.

145 Wilfrid Marston Acres, *The Bank of England from Within: 1694-1900,* Vol.II, Oxford: The University of Oxford Press, 1931, p.613.

146 John Francis, *History of the Bank of England, its Times and Traditions,* Vol.II, London: Willoughby & Co., 1847, p.262

form of Bank stocks, they surely had inherited other gifts – influences, contacts, financial knowledge - from their uncle and also their father, who was also a director of the Bank from 1701, as one of them, Nathaniel (1737), became a director and eventually a deputy governor of the Bank himself.[147] Nathaniel's (1728) connection with the Bank revealed in the will did not stop here. Probably due to the lack of male issue from his marriage with Frances, the daughter of Sir John Hartopp, a nonconformist baronet, Nathaniel obviously paid more attention to his daughters' marriages in consideration of establishing mercantile alliances.[148] He married one of his daughters, Elizabeth, to Thomas Cooke Esquire, who later served as deputy governor and governor of the Bank in the 1730s.[149] It is worth noting that Thomas Cooke first became a director in 1721, the very same year he married Elizabeth according to the date of their marriage articles mentioned in his will.[150] This suggests that the match was probably for the benefit of the groom on one hand as he would venture into the Court of Directors more easily with the influence of his father in law, but on the other hand, Nathaniel (1728) also gained an important ally within the Court both for him and his nephew, which could have aided the younger Nathaniel's career within the Bank. The latter first became a director in 1722. However, intriguingly, instead of Bank stocks or cash, Thomas Cooke as a beneficiary was bequeathed £2,000 worth of the stocks of the unequivocally termed 'United East India Company', which identifies another major interest in Nathaniel's mercantile adventure.

Regarding the records in the investigated Port Books under the name 'Nathaniel and John Gould', there is one slight anomaly in terms of the destinations of shipments in an otherwise clean sweep of Baltic and Dutch ports. This one record suggests that the Gould brothers were engaged in the cloth export trade to the East India region from as early as 6th June 1696.[151] The Goulds' roles as East India interlopers and key contributors to the floatation of the New East India Company will be discussed in detail in the next chapter.

Nathaniel's (1728) legacy in the Bank and the East India Company was inherited separately by his two nephews. The younger Nathaniel (1738) became a director of the Bank

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[147] Ibid., p.263.
[148] Grawford Gribben, *John Owen and English Puritanism, Experiences of Defeat*, Oxford: Oxford University Press, 2016, p.14.
[149] Past Governors of the Bank of England, Bank of England official website, https://www.bankofengland.co.uk/about/people/governors, (accessed 17th September 2016)
[150] Francis, *History of the Bank of England,* p.263.
TNA 11/796/441.
[151] Folio 26, TNA E190/156/5.

in 1722 and rose to deputy governor one year before his death.[152] John (1740), on the other hand, found his calling in the United East India Company, and held the office of director for 12 years from 1724-1735.[153] Besides following his uncle's footsteps into the Court of Directors of the East India Company, John also succeeded to Nathaniel's parliamentary seat in New Shoreham. Nathaniel (1738) died without male issue, while John (1740) had two sons, a situation exactly resembling the previous generation, especially since John also named his sons John and Nathaniel. Nathaniel (1737) remained a merchant of London to his death, whereas his brother chose to retreat from the life of a City merchant to Essex.[154] Even though just like his uncle, Nathaniel (1737) left most of his personal estates including commercial assets to his two nephews, neither of the newest Nathaniel and John brothers seems to have had the determination and ambition to venture into the mercantile world. Thus ended the story of a mercantile house that had lasted for at least three generations.[155]

The Gould family had arguably the humblest origin compared with the other two big families discussed in this chapter. For nearly half a century, three generations of Johns and Nathaniels had reached the very core of the London mercantile community leaving their names on the history of two of the most significant and acclaimed mercantile organizations of the Kingdom. Undoubtedly, the success and achievement of the Goulds, to a large extent, owes its merits to the peculiar historical turning point when the financial revolution and needs of raising public funds to aid the military adventures of the Crown called for the advent of a novel financial organization, and the free trade movement stimulated by the rapidly arising interests in the East India trade resulted in a bitter rivalry between Old East India Company and the New.[156] However, the long term accumulation of capital and mercantile networks secured by a line of inheritance of family legacy, both commercial and political, is hardly negligible nor to be taken for granted. The status of Nathaniel (1738) and John (1740) as the leading Baltic merchants in the founding of both the Bank of England and the New East India Company was by no means entirely the product of their personal effort and entrepreneurship. Their uncle Nathaniel (1728) had started his remarkable career as a City merchant by becoming a contractor for the Royal Navy when he was merely 27 years old. This accomplishment would be unimaginable without the expertise and networks of contacts in the

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[152] R. S. Lea, Nathaniel Gould, History of Parliament Online, https://www.historyofparliamentonline.org/volume/1715-1754/member/gould-nathaniel-1697-1738, (accessed 20th September 2016)
[153] Paul Watson, John Gould, History of Parliament Online, https://www.historyofparliamentonline.org/volume/1715-1754/member/gould-john-1695-1740, (accessed 20th September 2016)
[154] TNA PROB 11/704/428.
[155] TNA PROB 11/688/377; Reginald Steward Boddington, *Pedigree of the Family of Gould*, London: Mitchell and Hughes, 1880, p.5.
[156] D. W. Jones, *War and Economy*, p.50.

trade to the important Baltic ports such as Riga and Narva, which was partly nurtured by his father and partly inherited on his father's death. Being apprenticed by one's own father to one of the leading trading companies of the kingdom and becoming free of the City were privileges obviously not enjoyed by every young aspirant. Although the early business life of Nathaniel (1728) is still obscure, there is no doubt that he, along with his brother, was introduced to the Baltic trade by their father. They were probably even sent to the Eastland as factors, a popular practice among young merchants especially those with mercantile background, as in the example of Gilbert Heathcote.[157] Interestingly, both Nathaniel and Gilbert were described as close friends in one of the letters of Sarah Churchill, Duchess of Marlborough who praised them for their extraordinary friendship even when she was in exile or in great affliction after the death of her husband. This correspondence indicated the networks maintained by the Baltic naval contractors with important military and political figures in the government.[158]

The family religion of the Goulds had also played its part in establishing business contacts. Nathaniel's nonconformist background may have been an essential factor in his early partnership with John Taylor, another significant Baltic merchant of the time. Taylor was a factor at Narva in the 1680s when he might have made the acquaintance of Nathaniel, but more crucially, the religious sympathies of Taylor's family that were revealed by his financial aid to Sir Edward Harley, a renowned Presbyterian, could be another determinant in the formation of their cooperation.[159] The importance of this partnership to the mercantile career of Nathaniel Gould is apparent as John Taylor was an established Baltic merchant and naval contractor who led a league of merchants, and defeated Sir William Warren's monopoly of domestic markets outside the system of purveyors since 1660s.[160] Between the middle of November 1688 and the end of 1690 when Gould first became a naval contractor, 34 separate merchants or mercantile partnerships were dealing with the navy. The firm of Gould and Taylor was one of the three agents trading in Riga masts in large quantity and hemp in a relatively smaller scale, and only their firm out of the three had survived into later years, which not only demonstrates the scale of their trade but also the persistence of their partnership.[161]

[157] Philip Riden, An English Factor at Stockholm in the 1680s, *Scandinavian Economic History Review*, 35:2, p.203.
[158] Evelyn D. Heathcote, *An Account of the Families Bering the Name of Heathcote which have Descended out of the County of Derby*, Winchester: Warren and son, 1899, p.83.
[159] Stuart Handley, *John Taylor, History of Parliament Online*, https://www.historyofparliamentonline.org/volume/1690-1715/member/taylor-john-1655-1729, (accessed 26th September 2016)
[160] John Ehrman, The Navy in the War of William III 1689-1697: Its State and Direction, New York: Cambridge University Press, 1953, p.58.
[161] Ibid, p.50, p.59.

Family bonds in the case of the Goulds contributed to their perpetuation and capital accumulation by providing a framework of informal constraints that could regulate and define social and business conduct. To understand the effect of family, as this is arguably the easiest socioeconomic construct to be taken for granted, one has to imagine the situation where no such bonds exist. Under that circumstance, the network with the five individuals originally from the three generations of the Gould family at the core would have to be established by other means if it was to be established at all. Even in the modern economy, in which formal constraints are more prevalent in comparison to the age the Goulds lived in, it is still difficult to find a substitute that could match the effectiveness of family bonds in regulating human interactions. Enforcing is more feasible as blood ties prevent any dealing between close relatives being one-time agreement which entails huge risk of violation, and bargaining is also cheap within the family although one may argue that potential unprofessionalism could compromise its advantage. This demonstrates how family could be used, either intentionally or unintentionally, by the London merchants to internalize these externalities. Marriage as an extension of family bonds was used by Nathaniel Gould (1738) to secure the status of both himself and his son in law in the Bank of England. Religion, a significant informal instrument for many regions especially before the modern era, is seen in this case serving as a spinoff of familial tradition, which played its own part in forming business partnership. It is important to note that although John (1736) was seemingly less prominent in the mercantile community or in terms of contribution to the family business when compared to his brother Nathaniel (1728), the fact that he produced two male heirs to succeed the enterprise of Nathaniel (1728) and thus the bulk of the family business, gave him a unique and essential position in the family network. In conclusion, family bonds in the form of a series of direct father and son/uncle and nephew relations practically helped transform the three generations of Gould family into an impersonal trade association or firm with low internal costs. In fact, if we take a more abstract thinking process, the Gould family firm could be considered a single *homo economicus* governed by the four elements proposed by Tabellini – trust, respect, control, and obedience, that enjoyed an unusually long lifespan, which is more impactful in pre-modern time when average life expectancy was much shorter. It could also be argued that out of the four elements, control is the most essential one in this network, as it secured the continuity of the family business interests by greatly internalizing the costs induced by the principal-agent problem. Furthermore, these bonds were interwoven with a series of other institutions such as religion and partnerships, which have received ample attention from economic historians, into a more extensive and far-reaching institutional framework that underpinned the undertakings of every individual London merchant.

IV. The Vernon family – a Case of Uncle and Nephews

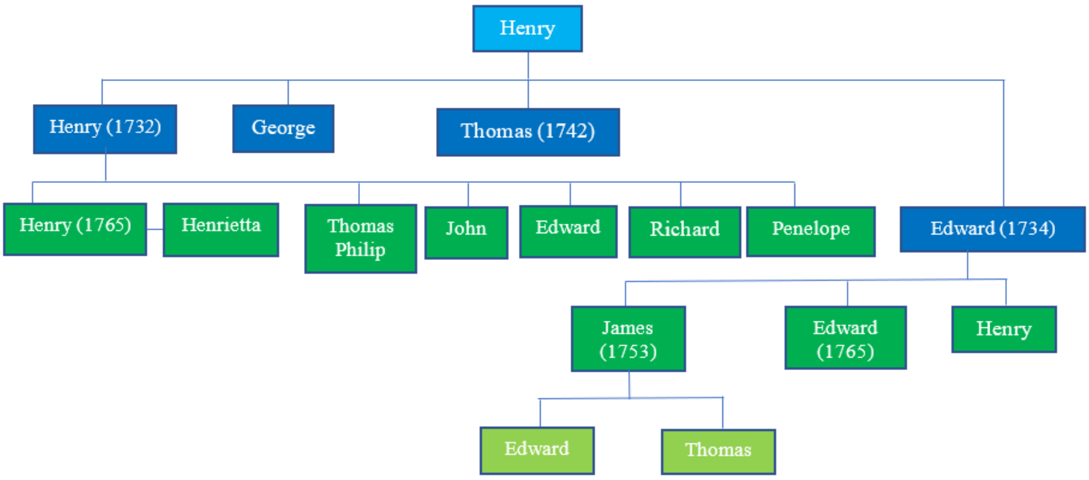

Figure 3.2 Vernon Family Tree

Source: See Text

Note: Different colours for each generation.

On rare occasions, PCC wills can be generously informative on a merchant testator's business conduct, and one of these merchants is Thomas Vernon (1742). It should be noted that there are two Thomas Vernons in the database both with at least five qualifying entries. Unfortunately, it is not clear whether Thomas Vernon (1742) can be identified with either of them. It is possible, however, that he was already trading in the 1690s, since he died at the age of 70, and so he could have entered the port books on his own.[162] Besides, even if Thomas Vernon (1742) were indeed neither of the Thomas Vernons who appeared in the port books, his wills still contribute greatly to understanding how London merchants would conduct business within family.

The will and codicils of Mr. Thomas Vernon 'of London merchant' were probated in the Prerogative Court of Canterbury on 14th April 1742. However, because the will was drafted two years before being probated, on 4th April 1740, and Thomas remained an active Turkey merchant till his last days, new events and developments in his business life produced the

[162] John Burke, *A Genealogical and Heraldic History of the Commoners of Great Britain and Ireland*, Vol. II, London: Published for Henry Colburn, 1835, p.82.

necessity of keeping his original will updated. This ended up with a total number of nine codicils made throughout the last two years of his life, which, with two exceptions, make direct references to his ongoing business in the Levant. With this collection of will and codicils as displayed in the following table, it is possible to take a quick yet thorough glance at an active London merchant's business network that was closely associated with his family.

Name of the Document	Date Made
The original will	4/4/1740
Codicil No.1	16/4/1740
Codicil No.2	16/4/1740
Codicil No.3	2/5/1740
Codicil No.4	10/11/1740
Codicil No.5	18/11/1740
Codicil No.6	28/3/1741
Codicil No.7	22/10/1741
Codicil No.8	2/11/1741
Codicil No.9	9/4/1742

Figure 3.3 The Will and Codicils of Thomas Vernon (1742)

Source: TNA PROB 11/717/345

Note: The will and all the codicils were made in London.

Thomas Vernon (1742), along with most if not all of the Vernons who appeared in the Port Books, was part of a prolific English family originating from a town and district called Vernon in Normandy, from which their common ancestor assumed his surname. Ever since their forefathers came to England with William the Conqueror, the Vernon family had been proliferating and spreading all over the country.[163] Thomas belonged to the branch in Hilton, Staffordshire. This branch of the family produced several prominent London merchants during the late 17th century to the mid-18th century.[164] Thomas's father, Henry Vernon, was most likely a gentleman residing in Hilton Hall, Staffordshire. Henry had four sons, and his eldest son and heir Henry inherited the main estate. Edward, his second son, and Thomas, the youngest son, were both merchants in London. George, the third son of Henry, was recorded as 'killed abroad', but the exact circumstances remained unclear.[165]

It is important to note that Thomas Vernon (1742) himself did not leave any surviving children, and the beneficiaries in his will are mostly his nephews and nieces. Furthermore, he

[163] Arthur Collins & Sir Egerton Brydges, *Collins's Peerage of England: Genealogical, Biographical, and Historical*, Vol. VII, London: Printed for F. C. and J. Rivington, 1812, p.396.
[164] Burke, *A Genealogical and Heraldic History*, Vol. II, pp.81-83.
Stuart Handley, *Henry Vernon*, *History of Parliament Online*, https://www.historyofparliamentonline.org/volume/1690-1715/member/vernon-henry-i-1663-1732, (accessed 10th November 10, 2020)
[165] Collins & Brydges, *Collins's Peerage of England*, p.406.

survived all of his brothers: Henry's will was probated in 1732 and Edward's in 1734. In his original will, Thomas Vernon (1742) named three of his nephews as executors: Henry (1765), the son and heir of his eldest brother Henry (1732), a Staffordshire gentleman who seemed to have stayed away from foreign trade, as well as James (1753) and Edward (1765), sons of his elder brother Edward (1734).[166]

Henry (1765) inherited all of his father's real estates and lands in Cheshire, Staffordshire and Leicestershire, and most importantly Hilton Hall.[167] Henry (1765) probably spent most of his life as a gentleman in the country like his father. He married lady Henrietta, the daughter of Thomas Wentworth, Earl of Strafford,[168] and was elected to the Parliament as a Whig in 1753.[169] In Thomas's will (drafted in 1740), Henry (1765) was mainly trusted to secure the payments and legacies to his younger brothers and sisters: John, Edward, Richard, Penelope, and Thomas Phillips Vernon, who, according to Thomas's will, were yet to reach the age of 21. A total sum of £7800 was to be paid to the aforementioned five under-age children, which seems to be part of an agreement between Thomas and his brother Henry (1732), as Thomas had been chosen by Henry to be one of the guardians of his children. Besides, in Thomas's will, he bequeathed the very generous sum of £13200 to be divided among Henry's (1765) younger siblings. As a common practice, in terms of bequests to under-age beneficiaries, merchant testators would direct the sum to be managed by the executors so that the principal could be safe from loss of value. Normally, the executors were instructed to invest the principal in real estates or any conduct that would generate interest. In some cases, more specific and creative instructions could be found, which potentially demonstrates the testators' ideas and philosophy in capital accumulation. When devising the legacies to under-age beneficiaries, Thomas Vernon made it very clear that before they reached the legal age of 21 the principal should be 'employed in the trade of Cairo and Aleppo' by the executors. Instruction as detailed and specific as this is rarely seen in the wills investigated in this study. This not only implies that Thomas Vernon was still an active member of the mercantile community when he drafted his will in 1740, and that he had obvious confidence in overseas trading as a means of increasing capital, but also indicates that since he did not have heirs of his own he probably planned to use the will as a last instruction as to how his business should be carried on, hopefully by his executors and beneficiaries.

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166 Prob 11/717/345.
167 Prob 11/655/60.
168 Collins & Brydges, *Collins's Peerage of England*, p.406.
169 Eveline Cruickshanks, *Henry Vernon*, *History of Parliament Online*, http://www.historyofparliamentonline.org/volume/1715-1754/member/vernon-henry-1718-65, (accessed, 10th November, 2020)

Moreover, in the first codicil (codicil no.1) dated only 12 days after the original will, Thomas stated that the money advanced for the education of the four younger sons of Henry Vernon (1732) should be deducted from their legacies including 3200 dollars [sic] paid to supply Thomas Phillips Vernon at Aleppo as fund with his partner, a certain Mr. Bigge, and 500 dollars [sic] to supply John Vernon at Cairo. Nurturing two nephews into men of commerce and sending one of them to Aleppo and the other to Cairo, two bases of Thomas's trade in the Levant, is more likely to be deliberate strategy than coincidence. The fact that instead of the usual 'lawful English money', this bequest was designed to be paid in dollars indicated that the testator did not expect the beneficiaries to be back to the country in the near future; it was more practical and appropriate to send them legacies in the currency widely used by foreign merchants in Levant, although it is still ambiguous as to whether the 'dollars' mentioned in the will referred to Turkish piastres or lion dollars.[170] In addition, the deducted sum for Thomas Phillips Vernon was much larger than that for John, which probably implied that Thomas Phillips Vernon had already started his own business with his commercial partner, and was in need of working capital whereas John, being several years younger, was still in the early stage of his mercantile career. Considering the substantial requirements for working capital and costs for nurturing aspirant merchants at the time, Thomas Phillips and John must have recognized their good fortune in having a generous uncle without children of his own.[171] The legacy and how it was devised in this codicil serves as an example of the significance of family support for ambitious young merchants entering the world of commerce. Perhaps more importantly for the purpose of this study, it also demonstrates how Thomas conducted his business in a foreign land more than 3000 miles from London by grooming the younger generation from his family into potential business contacts, because Thomas Phillips and John were not the only nephews of his settled in Turkey; according to his will and codicils, more responsibilities had been trusted to his two older nephews, sons of his brother Edward (1734): James (1753) and Edward (1765).

By the time Thomas drafted his will, his brother Edward Vernon (1734) who was also a Turkey merchant although probably less successful judging by his will, had already died.[172] Edward had at least three sons: his heir James Vernon (1753), Edward Vernon (1765) and Henry who had died before his father leaving a widow to be supported. In 1740, James and Edward were already established merchants, but their business differed in the sense that

[170] Ralph Davis, *Aleppo and Devonshire Square: English Traders in the Levant in the 18th century*, London: Macmillan, 1967, pp.189-190.
[171] Earle, *The Making of the English Middle Class*, p.91 and Grassby, *The Business Community*, p.87.
[172] Prob 11/664/19.

Edward was still a resident Turkey merchant in Cairo whereas James was more likely to be based in London by 1742. This seems clear from the will: Edward was always referred to as 'Edward Vernon now at Cairo', and the legacies bequeathed to him almost exclusively assumed the form of cash while James was simply referred to by his name, and he received more bonds than cash along with some of Thomas's real estate in London. More obvious implications could be found in the codicils. Codicil No. 5, dated 18th November 1740 mentioned that 'Edward Vernon now at Cairo' was rewarded with £100 for 'his effort in recovering my cloth from the Arabs saved out of Tryal Brigantine' whereas James was bequeathed another £500 for 'his trouble selling goods for me and what he may hereafter sell for me and for other ways assisting me and to assist me in my business'. This codicil may indicate that Edward, while at Cairo, was taking care of Thomas's cloth trade, likely in the capacity of factor according to the wording, and although his responsibilities might not include negotiating with the locals about recovering losses from unfortunate shipping accidents, his industrious and diplomatic spirits drove him to such deeds and earned him a bonus from his uncle and employer. In the meantime, James was helping selling Thomas's goods in London. Besides, Thomas was travelling back and forth between London and Hilton in the last two years of his life as shown in the signature sections of the codicils, which suggests that although he was busy settling posthumous affairs, the old merchant was still active and capable. Moreover, codicil No. 6, dated 28th March 1741, was in fact an instruction to James. He was ordered to buy 60 shares of the stock of London Assurance Corporation for his uncle, but these shares should remain under James's name in the Company's book, which served as a part of qualification for him to be elected as one of the directors. The London Assurance Corporation was just founded 20 years earlier, and 'although its financial structure was that of a joint stock company, its administration … reflected many features of partnership organization' in the sense that in lieu of any delegated authority to a managerial hierarchy, directors actively participated in the day-to-day business of the corporation.[173] This may reveal Thomas's ambition of planting a trusted representative in the said company. However, since he was giving this instruction in a will codicil, it probably also shows his endeavor to secure James's future in the booming maritime insurance business. This instruction could well have been encouraged by the recent accident, which, thanks to Edward, dealt less damage to his trade than it might have, demonstrating that Thomas was closely keeping up

[173] A. H. John, The London Assurance Company and the Marine Insurance Market of the Eighteenth Century, *Economica*, New Series, Vol.25, No.98 (May, 1958), p.131.

with his trade and refused to leave it to luck or passively accept an unsatisfactory insurance policy by taking a much more active stance.

However, it seems likely that James may have spent some time in the Levant before coming back to England, or at least was a merchant with his special interest set in Turkey, in particular the Syria region. Thomas left a total sum of £2500 to James's four children, and trusted James to employ the money in the trade to Cairo and Aleppo, which, according to other previously discussed bequests in the will, may have a hidden mercantile intention to make sure that James would or could use the money in the Levant trade. James died around 1753 leaving five children, three of whom were under-age daughters (the third daughter was born after the decease of Thomas). After devising one third of his personal estate to his wife and one third to his children, James instructed his executors (his wife, his son Edward and his brother Edward Vernon (1765)), to employ the shares bequeathed to his daughters and the residue of his personal estate in 'merchandise and trade to Aleppo in Turkey' until his three daughters came of age.[174]

In contrast, James's brother Edward (1765) was more directly involved in their uncle's business in the Levant. As stated above, Edward was always referred to as 'Edward Vernon at Cairo' in Thomas's will and codicils, indicating that he was more closely involved in Thomas's trade in the local region. There is, indeed, an indication of how their business network functioned in one of the codicils. Codicil No. 8, dated 2nd November 1741 rearranged the legacies devised to Edward. In this codicil, Thomas made it clear that Edward's legacies should be kept on hold and transferred to their business account. Edward and his partner in Cairo, a certain Mr. Francis Congreve, were responsible for selling cloth and other goods for Thomas. For unknown reasons, the revenue of such sales was yet to be made good to Thomas, which resulted in a series of debts. Therefore, until the said debts were paid, Edward's legacies were temporarily used to account the deficit. Although the actual sum was not stated in the codicil, it is reasonable to presume that the volume of transaction between Thomas and Edward was considerable, as according to the will and previous codicils, Edward's legacy was valued at £3000 in cash. John, the aforementioned nephew of Thomas, son of his brother Henry, was subject to a similar arrangement in this codicil. Apparently, John was also indebted to Thomas for sales of cloth and other goods for him while being a member of a partnership with Francis Congreve and Edward Vernon. This demonstrates that John and Edward who were both based in Cairo at the time, had the

[174] Prob 11/801/31.

responsibility of working together for the benefit of their uncle. Depending on the angle from which it is viewed, by internalizing the risks and costs of a professional business relationship, these arrangements could keep this relationship more professional with extra risk management or make it more personal with a touch of blood ties. Either way, by making Edward's and John's legacies security against unsatisfactory business conduct with their uncle, Thomas incorporated family into another institution key to the Levant merchants – factorship.

Moreover, Edward (1765), to a certain degree, followed the footsteps of Thomas. Like his uncle, Edward did not leave any surviving children. In his will (1765), Edward mainly made provisions for his brother James's family.[175] He devised several trusts for the benefit of James's wife and children with the trustees being his two executors, Henry and John March who were both Turkey merchants, lived in London, and were probably his business partners. In the subsequent codicils, Edward first directed that the trust for the benefit of his nephew Thomas, son of his brother James, currently based in Aleppo, should be entirely at his disposal so that he could freely employ the sum in 'the trade to Aleppo or any part of Turkey'. He then instructed that the legacy bequeathed to Thomas should be paid in Aleppo dollars instead of British pounds. These codicils, in a sense, put Thomas in the position of Edward's heir, and suggested that Edward would support his nephew and his business with all he could manage. Edward's decision resembles the practice of his uncle, Thomas Vernon (1742), and previously discussed Nathaniel Gould (1728).

Considering James's particular attention to the trade to Aleppo, these two brothers' trade interests once again coincided with that of their uncle, which in turn reminds us of the trade interests of Henry's (1732) two sons, Thomas Phillips and John. These coincidences demonstrate the business strategy of Thomas Vernon (1742): in the absence of sons, he utilized other close family members, more specifically his nephews, as human resources in assisting and perpetuating his trading enterprise in Levant. Unlike John Gould (1736) in the previous case, Henry (1732) was a gentleman who probably never stepped in trading, but similar to John, he assumes a very important position in the family business network, because he produced several sons to be the *de facto* co-heirs and business assistants of Thomas. Thomas sent these young nephews of his to the major trading ports – Cairo and Aleppo, which commanded the bulk of the trade in the region. He paid for their education in merchandising, which serves as an investment in human capital, and, to a certain extent,

[175] Prob 11/913/75.

supported them with working capital. He employed his older nephews, both home and overseas, who were already established merchants, and imposed his influence in the family network on his business relations with these nephews. Apparently, Thomas Vernon used his will and codicils as a conductor's baton to not only arrange the continuation of his enterprise but also to give instructions to his relatives who most likely worked as his factors. While he himself was resting in Hilton Hall with his brother's family, orders regarding buying and selling were regularly made to both Levant and London. In Vernon's case, besides trust and respect, while control was still a very impactful element in characterizing his business relations with his nephews, it seems obedience was utilized to promote and facilitate the trading network consisted of him and his family. A family network was thus, to a large extent, woven into a mercantile network.

V. The Gore family – a Case of Extended Family with Marriage Alliances

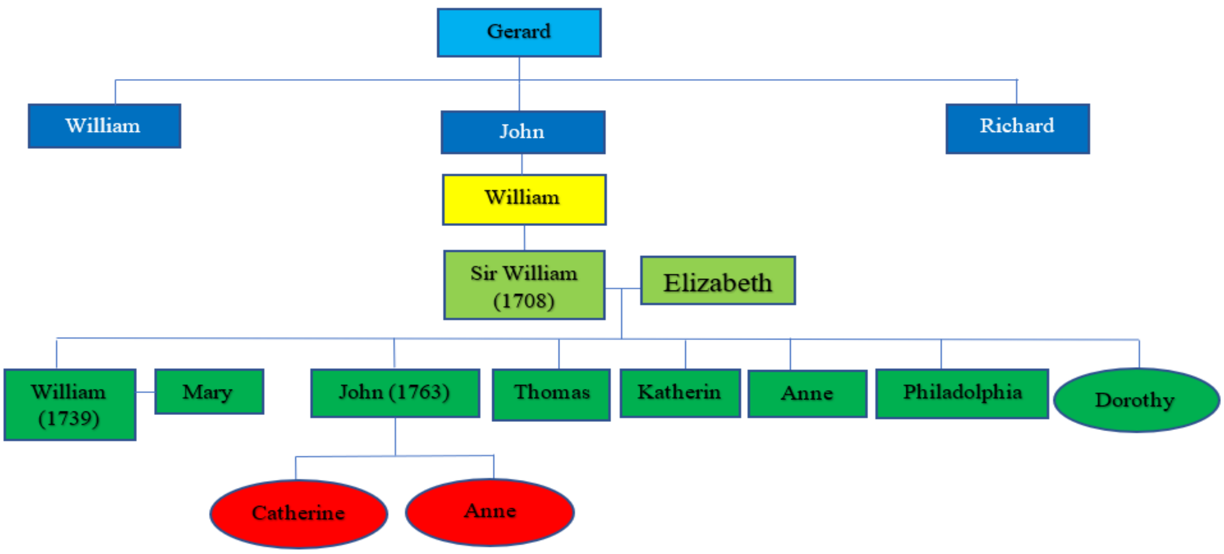

Figure 3.4 Gore Family Tree

Source: See Text

Note: One colour for each generation; Dorothy, Catherine and Anne are in different shapes.

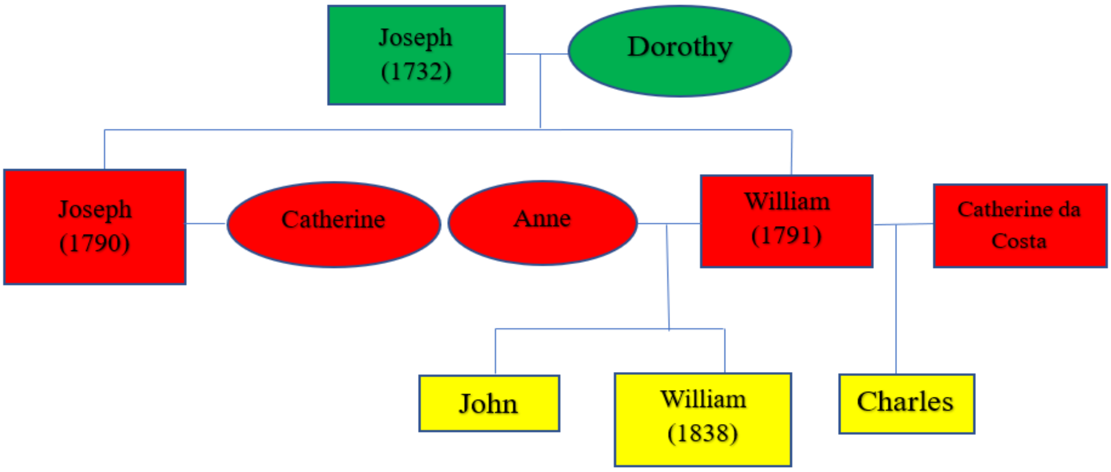

Figure 3.5 Mellish Family Tree

Source: See text

Note: One colour for each generation; Dorothy, Catherine and Anne are in different shapes.

Blood ties in the male line, either directly established by fathers and sons or by uncles and nephews, were by no means the only instrument employed by London merchants at the end of the 17th century to form mercantile networks within family. Marriage is another typical tool not infrequently exploited by merchants, and intermarriage was particularly common within certain religious and ethnic groups. Flemish and Dutch immigrants as well as the Huguenots in 17th to 18th century London had a strong tendency to marry within their own societies before eventually being assimilated into the metropolitan community, and the level of endogamy was especially notable in the first generation.[176] This practice also applied to immigrant merchants. As previously mentioned in Chapter 2, the Port Books returns revealed a notable group of merchants with foreign origins, and some of them being first generation immigrants were in effect foreign merchants who had only recently acquired citizenship. There are many of these merchants in the sample this study is based on, and intermarriages among their families are very common. Although William Lethieullier, with five qualifying Port Book entries all of which were destined for Turkey, married the daughter of a Surrey merchant, his aunt Catherine married into the Des Bouveries family, and both families were Huguenots from the Spanish Netherlands.[177]

[176] R. D. Gwynn, *Huguenot Heritage: the History and Contribution of the Huguenots in Britain*, London: Routledge & *Kegan Paul, 1985*, p.163.
[177] J. Woodhead, 'Lambert - Lytler', in T*he Rulers of London 1660-1689: A Biographical Record of the Aldermen and Common Councilment of the City of London*, London: London & Middlesex Archaeological Society, 1966, pp.104-111.

The Des Bouveries brothers William Des Bouveries (1717) and Jacob Des Bouveries (1722) were thus nephews-in-law of the said Catherine and more distantly connected to William Lethieullier. Both William and Jacob are in the sample with four and five qualifying entries respectively, in addition to six entries under both names jointly, and it is hardly surprising that most of these entries also designated the Levant region as destination. William Lethieullier's brother Christopher married Jeanne Du Cane the aunt of Richard Du Cane (1744), who although he did not make into the sample was still an important bridge in this huge intermarriage network of the London Huguenot community.[178]

Richard Du Cane's great-aunt Mary married into the Houblon family and was the mother of the Houblon brothers who were leading merchants and financiers of the City and deeply involved in the foundation of the Bank of England, including Sir John Houblon, the first governor of the Bank.[179] Among the Houblon brothers only Peter Houblon (1714) is in the sample of cloth exporting merchants with a moderate yet still higher than average number of six qualified entries. However, the destinations of his shipments were widely scattered in the Mediterranean region, and he was the only individual appearing in all three datasets drawn from the separate port books of cloth, wine and leather export trade, indicating that he was a major player in the merchandizing arena of late 17th century London with broad trading interests.

Sarah Houblon, sister of Sir John Houblon and Peter Houblon (1714), married James Lordell in 1645. James was a London merchant of large fortune. He and his brother John, who is in the sample of Wine exporters with ten qualified entries, ranked 8th among the 126 individuals, partnerships and firms that constitute the total population of the sample, were frequently associated with their brothers-in-law in all their commercial transactions, and later in the directorate of the Bank of England. Like the Houblons, the Lordells were also immigrant Protestants but 'of good Flemish stock', with their grandfather having fled from Flanders during Alva's persecution.[180]

The intermarriages within the Protestant community of Dutch and French origins are particularly interesting if the founding of the Bank of England is taken into consideration. It has already been noted that many of these figures were involved in the administration of the Bank during its early days, but the situation becomes clearer after inspecting the initial

178 The Peerage, Person Page 46039, Richard Du Cane, http://www.thepeerage.com/p46039.htm#i460385, (accessed 7th January)

179 Bernard Burke, A *Genealogical and Heraldic History,* Vol.I, p.484.

180 Alice Archer Houblon, *The Houblon Family, its history and times*, Vol.1, London: Archibald Constable and Company, 1907, p.175.

subscription of 1694. Twenty-seven individuals in the subscription list came from the same background, and 22 of them belonged to five families four of which have been discussed here: five Houblons, eight Lethieulliers, three Lordells, two Du Canes, plus four Chambrelans. The subscription of these 22 people amounted to £60,200, or 5.01% of the Bank's original capital. Moreover, the value of their holdings had been gradually increasing throughout the early years of the Bank.[181] Apparently, marriage was key to the functioning of this intricate mercantile network consisting of the descendants of French and Dutch immigrants.

However, marriage by no means benefited only the merchants of religious and ethnic minorities. The business of many indigenous merchants was also promoted by it, the importance of which would be greatly amplified to those who had no male heirs. The Gore family is an outstanding example for studying how marriage alliances would affect the trade of London mercantile houses, especially when they lacked the resource of direct male heirs.

Unlike the Vernons discussed before who only recently came to London from the countryside, Sir William Gore (1708) was descended from a prominent London family, which was well known in the mercantile and legal community of the City and produced a number of aldermen and Lord Mayors since at least the 16th century. In 1574, Gore's great grandfather Gerard Gore was already an alderman of London whose sons also became notables of the City.[182] Gerard's eldest son Richard entered the mercantile world like his father, and was distinguished as one of the leading Hamburg merchants as well as an MP sitting for the City.[183] Two of Richard's brothers became aldermen following their father's example: William in 1615 and John in the same year. John, Sir William Gore's grandfather and a London merchant, was elected as Lord Mayor in 1624.[184] In addition to its prominence in the economic and political life of London, the descendants of the Gore family married into a number of noble houses in England and Ireland such as the Earls of Arran and Earls Temple of Stowe.[185] Therefore, although his father, also named William, spent most of his life in

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[181] Patrice Higonnet, David S. Landes, Henry Rosovsky, *Favourites of Fortune, Technology, Growth, and Economic Development since the Industrial Revolution*, Cambridge, Massachusetts: Harvard University Press, 1991, p.239.
[182] Beaven, 'Notes on the Aldermen, 1502-1700', pp.168-195; James Granger, *A Biographical History of England, from Egbert the Great to the Revolution*, Vol.IV, London: William Baynes and son, 1824, p.109.
[183] Andrew Thrush, *Richard Gore*, *History of Parliament Online*, http://www.historyofparliamentonline.org/volume/1604-1629/member/gore-richard-1554-1622, (accessed 10th August 2016)
[184] John Noorthouck, 'Addenda: The Mayors and Sheriffs of London,' in *A New History of London Including Westminster and Southwark,* London: R Baldwin, 1773, pp.889-893.
[185] Bernard Burke, *A Genealogical and Heraldic History of the Peerage and Baronetage, the Privy Council, Knightage and Companionage*, 76th edition, London: Burke's Peerage ltd 1914, p.865; Burke, *A Genealogical and Heraldic History,* Vol.I, p.663.

Surrey as a man of law, Sir William Gore's coming back to the mercantile community of the City was not without an established family tradition or even maybe family support.[186]

Similar to his great-uncle Richard, Sir William Gore was also mainly dedicated to the German trade and finally gained the position of governor of the Hamburg Company.[187] Out of the 1262 qualifying entries from sampling the port books, 62 entries are under the name 'William Gore', second only to a Walter Kent who had 101 qualifying entries, most of which were destined to Flanders. Of the 62 shipments owned by Gore, one was destined to Rotterdam, another one to Bruges, and all the other 60 went to Hamburg, demonstrating that William Gore was plausibly the very top cloth exporter to the German region at the time. In addition to his pre-eminent status in Hamburg, Gore was keeping colonial trade as a subsidiary interest while being the only Tory among the big colonial merchants, and also served as a Director of the Old East India Company and the Levant Company.[188] Probably due to his prestige and influence in the London mercantile community and the fact that he was among the 64 initial subscribers who subscribed more than £4000, Gore was elected as one of the 24 founding directors of the Bank of England.[189] The immense wealth of Sir William Gore is well demonstrated in his will. His wife Elizabeth, the daughter of Walter Hampton, a fellow Mercer and member of the Levant and Old East India Company, died before him, so he had a larger freedom devising his legacies.[190] The sum of bequests in cash to his younger sons and daughters was almost unparalleled at the time: £8000 to Charles, in addition to £4000 already advanced; £8000 to John (1763) in addition to £3000 already advanced; £6000 to Thomas when he reached 21; £9000 to Katherin when she reached 21 or married; and £8500 each to Philadolphia and Anne when they reached 21 or married, which totalled at an astonishing sum of £55,000.[191] Gore specified in the will that all the legacy money left to the underage children should be placed out at an interest of £3 per centum per annum. This differs from Thomas Vernon's (1742) arrangement, in which the legacies should be employed in the Levant trade, which either demonstrated that Gore's strategy of capital management favoured finance over actual trading or implied his involvement with the Bank. Besides the cash legacies, Gore left his three younger sons a large number of landed estates, the scale of which is unmatched by any other testators investigated in this study, both within

[186] Burke, *A Genealogical and Heraldic,* Vol.I, p.663.
[187] De Krey, *A Fractured Society*, pp.146-147.
[188] Zahedieh, *The Capital and the Colonies*, p.122.
[189] R. D. Richards, *The Early History of the Banking in England*, London and New York: Routledge, 2012, pp.150-151.
[190] Apprenticeship of Harrington Hampton, Walter's son and apprentice, https://www.londonroll.org/event/?company=mrc&event_id=MCEW312, (accessed June 4, 2021)
[191] TNA PROB 11/499/355.

and beyond the City wall. When drafting the will, Gore added a condition to all these legacies that they discharged all his younger children's claims to the rest of the estate which was bequeathed to his eldest son William who was also the sole executor of the will. It is worth noting that most of the real property mentioned in the will was in the City, with the only exceptions being several messuages and tenements in the parish of St. Martin-in-the-fields in the county of Middlesex, just outside the City.

Unfortunately for the present enquiry, Gore's will is not very informative in terms of his business or commercial contacts except for a trust devised for the benefit of his daughter Dorothy and her husband Joseph Mellish (1732), a Nottinghamshire gentleman, which culminated in more marriage bonds between the two families. Although Joseph Mellish (1732) was a gentleman from the north of England, his family was originally a London mercantile family. In 1635, John Mellish, a London merchant, purchased the estate of Blyth in north Nottinghamshire, but did not move there. John was succeeded by his son Edward who was a Portugal merchant and spent a good portion of his time in Oporto. Edward, however, never married, and left the Blyth estate to his cousin Joseph Mellish whose marriage with Sir William Gore's daughter Dorothy set the stage for the return of the Mellish family to London mercantile community.[192] We will come back to this Edward Mellish later in Chapter 6 when discussing how he used his position in the Levant Company to help a family member establish in a Levant factory.

Sir William Gore (1708) had four sons who survived to adulthood. Both William and John dedicated themselves to the career of merchandizing following in their father's footsteps. William (1739) was active in the same circles as his father, as a naval contractor, in the Old East India Company, and in the Bank, where he succeeded to his father's directorship.[193] His marriage with Mary, the daughter of the 4th Earl of Northampton, only augmented his status in the City. However, his will, which mainly devised cash and real estates to his sons and daughters, provides little information on his business or mercantile network. His estates were scattered around four counties – Buckinghamshire, Hertfordshire, Middlesex and Wiltshire – along with a number of properties in London, and it is therefore reasonable to presume that he was expanding into the landed arena.[194] Considering that

[192] The Mellish and Buchanan Families of Blyth and Hodsock: A Brief History, Manuscripts and Special Collections, University of Nottingham, https://www.nottingham.ac.uk/manuscriptsandspecialcollections/collectionsindepth/family/mellish/mellishfamilyhistory.aspx , (Accessed 12nd August 2016)

[193] D. W. Hayton, William Gore, *History of Parliament Online*, http://www.historyofparliamentonline.org/volume/1690-1715/member/gore-william-1675-1739#footnote2_66n21we, (accessed 13th August 2016)

[194] TNA PROB 11/699/271.

neither of his sons was recorded as holding any memberships or offices in commercial organizations, it looks as if the merchant career faded away for William's branch of the family.[195]

On the other hand, although Sir William Gore's second son John (1763) also mentioned several estates located in Berkshire, Middlesex, Hertfordshire as well as in the City, other bequests implied that he was probably still an active merchant at his decease.[196] Of the beneficiaries outside the family, two were working in John's counting house: a John Roberts who was described as John's 'worthy friend' was likely to be a London merchant living in Fenchurch Street, and a Mr. David Purry at Lisbon who could have been a factor working for John. Besides, he did not forget to leave £200 to the Company of Merchant Adventurers, of which he was still governor when drafting the will, to be disbursed by the deputy governor and fellowship at Hamburg as bequest money. Maybe the most notable feature of the will is how John treated his sons in law. John had no sons but four daughters, three of whom were already married at the time he made his will. He particularly valued Joseph and William Mellish who married his daughters Catherine and Anne respectively, and nominated them as joint executors along with his wife and his younger brother Thomas Gore. Joseph and William were the sons of aforementioned Joseph Mellish and Dorothy Gore (daughter of Sir William Gore), so they were John Gore's nephews as well as his sons in law.

Joseph Mellish (1790) went into business in Bishopsgate Street in partnership with John Gore, his maternal uncle, and subsequently his father-in-law. Although mainly a Northern and Baltic merchant, Joseph kept a special interest in the Portugal trade like the forerunners of the Mellish family, but suffered considerably in the earthquake in Lisbon 1755.[197] Joseph married Catherine, the daughter of John Gore (1763), who was mainly a Hamburg merchant at the time, in the year 1751 when he was still involved in the Portugal trade.[198] The timing of the marriage suggests that although Joseph and John were probably engaged in a close partnership that needed to be reaffirmed by marriage, Joseph maintained his independence in business and finance to a certain extent for a trading area that reflected his family tradition.

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[195] According to History of Parliament Online, William's eldest son Charles never held positions of any commercial organizations, and the other son John was a military officer.
Romney R. Sedgwick, Charles Gore, *History of Parliament Online*, http://www.historyofparliamentonline.org/volume/1715-1754/member/gore-charles-1711-68 (accessed 13th August 2016)
Romney R. Sedgwick, John Gore, *History of Parliament Online*, http://www.historyofparliamentonline.org/volume/1715-1754/member/gore-john-1773 (accessed 13th August 2016)
[196] TNA PROB 11/890/444.
[197] Lucy S. Sutherland, *A London Merchant, 1695-1774*, London and New York: Routledge, 1962, p.31.
[198] Mary M. Drummond, *Joseph Mellish*, *British History Online*, http://www.historyofparliamentonline.org/volume/1754-1790/member/mellish-joseph-1717-90#footnote1_gls0qzr, (accessed 17th August 2016)

Joseph's will, probated in 1790, is very informative in demonstrating his wealth, profession, family and potential business contacts. In the will, the testator described himself as 'Joseph Mellish of the City of London', which indicates that he maintained the metropolitan identity to the very last days of his 73-year long life.[199] The legacies he left to the numerous family members in the enlarged family thanks to the intermarriage between Mellish and Gore is impressive as the sums are usually calculated in the thousands. Although it should be noted that the relative value of money decreased by approximately 60% since the first decade of the 17th century to that of the 18th century, the wealth of Joseph Mellish was still remarkable.[200] The details of Joseph's marriage settlement are partly revealed in the will, according to which he was obliged to pay his only son, should he ever have one, a total sum of £20,000, and if it was a daughter, a total sum of £10,000, although judging from the content of his will, it seems very likely that Joseph indeed died without offspring. Interestingly, the legacies devised to Joseph's three nephews, all of whom were sons of his brother William, are different. Joseph left one of his nephews, Charles, born by William's first wife, the sum of £1,000, whereas to his two other nephews, John and William, born of his brother's second wife Anne, who was a daughter of John Gore (1763) and sister of Joseph's own wife, £10,000 each. He also gave all the other children of William by his second wife £5,000 apiece. More importantly, Joseph specified in the will that should his said nephews John and William decide to 'carry on and continue my mercantile business' they would receive 'the sum of twelve thousand pounds part of my capital stock in trade' and employ that sum in trade for at least 5 years after his decease. This bequest suggested that there was a reasonable chance that the said John and William were already being groomed to be London merchants to succeed their father or uncle's business. If they chose to carry on Joseph's business, they would receive a handsome amount of trading capital, which could be vital for young merchants or a much-needed aid for established merchants who were eager to expand or alleviate the problems of capital turnover. Joseph's affection towards the family of his uncle/father-in-law was further corroborated by a number of legacies devised to the female members of his wife's family while his relatives from Mellish side other than his brother's family are poorly represented in the will.

Joseph Mellish's will is more revealing of his business contacts than many other London merchants whose wills have been investigated in this study. Beneficiaries outside the family are numerous and their professions and relations to the testator are clearly stated, which is not

[199] TNA PROB 11/1199/72.
[200] Matthew Davies & Ann Saunders, *The History of the Merchant Taylors' Company*, Leeds: Maney, 2004, p.277.

a very common practice for most testators. On some occasions when the contacts were already deceased by the probation of the will, the legacies were extended to pay their widows or children. For example, a £400 legacy was equally divided between two daughters of a certain John Hanbury of Hamburg. To precisely identify this John Hanbury is no easy task, as there were at least five John Hanburys active in the mercantile world of 18th century London.[201] However, of the five possible candidates, one John Hanbury the younger is probably the most likely individual mentioned in Joseph's will. He succeeded his father's career as the deputy governor of the Merchant Adventurers' Company in the mid-18th century, and was active in performing his duty until at least the 1770s.[202] Devising legacies to Hanbury's daughters after his decease suggested that the testator probably maintained a professional as well as personal relation with him, which is by no means impossible as Joseph was partly a German merchant, and presumably a rather significant one judging by the wealth demonstrated in his will. Following this, Joseph devised a series of legacies to a number of individuals who worked with him in his enterprises in both Lisbon and London. Besides the clerks employed in his counting houses in these two cities, the names of several partners were also mentioned in the will. Among them, a Mr. Gerrard de Visme, a Mr. Lewis Dubvis and a Mr. David Purry are particularly noteworthy as they formed a partnership with Joseph with a firm named Purry, Mellish and De Visme. David Purry, as discussed before, was also a business contact of John Gore, thus Joseph's business network was intertwined with that of his father in law.

The mercantile career of Joseph's brother, William Mellish (1791), on the other hand, is still, to some extent, elusive to researchers. Lucien Wolf's claim that he was 'one of the magnates of the Lisbon trade' was disputed by M. Landa who suggested that William had already retreated from overseas trade by his first marriage.[203] It is, however, undoubtable that William Mellish was intended for the bar: matriculated at Peterhouse College, Cambridge in 1726, then entered Lincoln's Inn in 1725 and the Inner Temple in 1734. Thanks to being acquainted with Thomas Pelham-Holles, 1st Duke of Newcastle, William was offered the sinecure of Lord Treasurer's Remembrancer in the Exchequer in 1733, and after that he began his career as a politician who mainly worked in economy and trade related offices. He stood

[201] Jacob Price, *'English Quaker Merchants and War at Sea, 1689-1783'*, in Roderick A. McDonald (ed.) *Essays on the History of the British Caribbean and the Atlantic Economy in Honour of Richard Sheridan,* Kingston: The Press University of the West Indies, 1996, p. 76.
[202] John Booker, *Maritime Quarantine: The British Experience, c. 1650-1900*, Aldershot: Ashgate Publishing, 2007, p.190.
[203] Lucien Wolf, The Disraeli Family, *Transactions (Jewish Historical Society of England)*, Vol.5 (1902-1905), p.212.
M. J. Landa, Kitty Villareal, the Da Costas and Samson Gideson, *Transactions (Jewish Historical Society of England)*, Vol.13 (1932-1935), p.278.

for parliament in 1741, and later in his life held a series of posts including Commissioner of Excise, Receiver General of Customs, and Joint Secretary to the Treasury.[204] Therefore, even though William Mellish might not be an overseas merchant himself like his brother and their father-in-law, he was engaged in the trade of this kingdom in a different arena.

In addition, it is necessary to point out that William married twice with John Gore's daughter Anne being his second wife. Both of his marriages display the importance of marriage that had the effect of establishing mercantile networks among London merchants or enhancing ones that already existed. William's first wife Catherine was the daughter of a wealthy London merchant and financier of Portuguese-Jewish origins, Joseph da Costa. Joseph's father Alvaro Jacob da Costa dominated Jewish mercantile activities in the City in the late 17th and early 18th century with his numerous trading enterprises with India and Americas using Lisbon, Seville, and the Canaries as broking hubs.[205] William's marriage with Catherine was probably a product of the common interests in the Portugal trade of the two families. William married John Gore's daughter Anne in 1762, 15 years after the death of Catherine. This marriage was another seal of the alliance between Gore and Mellish families, which at the same time secured the mercantile lineage of the family business.

As already noted, John Gore (1763) died without a male heir, and although he did not explicitly nominate his two sons in law Joseph and William Mellish as his heirs, he clearly intended to encourage them to follow in his business. In the case of Joseph, who not only carried on the family business but also served as MP for Great Grimsby in place of John since 1761, he effectively inherited both of John's mercantile and political careers.[206] Joseph Mellish himself died without sons, but keenly expressed in his will his wish for his own two nephews, John and William (1838), sons of his brother William Mellish and sister-in-law Anne (making them grandchildren of John Gore), to succeed the family business. As it turned out, John and William did continue the family business with Joseph's aid of £12,000 of capital stock, and they conducted the business in partnership at Bishopsgate Street just like their uncle Joseph Mellish and grandfather John Gore.[207] This younger generation of Mellish brothers mainly traded with the Baltic, Lisbon and Hamburg under two firms: John Gore &

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[204] Romney R. Sedgwick, William Mellish, Parliament History Online, https://www.historyofparliamentonline.org/volume/1715-1754/member/mellish-william-1710-91#footnote2_1zlxolx, (accessed 27th August 2016)

[205] Norma Perry, *Costa, Alvara Jacob da (1646-1716), Oxford Dictionary of National Biography*, http://www.oxforddnb.com/abstract/10.1093/ref:odnb/9780198614128.001.0001/odnb-9780198614128-e-39727?rskey=8hD9NC&result=2, (accessed 28th August 2016)

[206] Mary M. Drummond, *Joseph Mellish, Parliament History Online*, https://www.historyofparliamentonline.org/volume/1754-1790/member/mellish-joseph-1717-90, (accessed 28th August 2016)

[207] J. M. Collinge, *William Mellish, Parliament History Online*, https://www.historyofparliamentonline.org/volume/1790-1820/member/mellish-william-1764-1838, (accessed 28th August 2016)

Co., and John and William Mellish & Co.[208] William, the younger of the two brothers, became a director and eventually the deputy governor and governor of the Bank of England, and secured sole control of the family mercantile and banking business after his brother John died without male issue in 1798, murdered by highwaymen.[209] Furthermore, just like his uncle who succeeded his grandfather's parliamentary seat in Great Grimsby, William carried on the family political business and began to sit for the same constituency from 1796.

At the time of his death, William Mellish (1838), a wealthy London merchant and financier, was addressed as 'of Bushhill in the County of Middlesex and of Bishopsgate Street in the City of London Esquire'.[210] William died at his City residence that was on the same street as his firms and enterprises maintaining the identity of a City merchant to the very end of his 75-year long life. However, he stayed unmarried and therefore childless leaving most of his real and personal estates to his nephews who preferred to work in the Foreign Office instead of a counting house. This marked the end of a mercantile dynasty that prospered for several centuries since before the time of Sir William Gore (1708). The mercantile house of Gore and Mellish was one of the leading London enterprises that conducted overseas trade mainly to the Baltic, Hamburg and Lisbon. At the same time, it was also significant in the banking and financing arena of both the City and Kingdom. Family members were not only deeply engaged in the founding and administration of the Bank of England but also active in undertaking financial commissions from the Crown.

Marriage has long been recognized by historians as one of the key factors contributing to early modern London merchants' commercial careers. Of the active merchants who were members of the House of Commons (1660-1690), 47% in their first marriages married daughters of merchants, 26% gentlewomen; and of the first 84 directors of the Bank of England (1694-1720), 38% married daughters of businessmen and 31% gentlewomen.[211] However, from the case of the Gore and Mellish family, we can potentially go further than the statistics in at least two perspectives.

Firstly, marriages of mercantile families had never been unilateral deals. Merchants were seeking suitable brides for themselves and the male members from their families, but at the same time, they were also contemplating suitable grooms for their daughters and sisters.

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[208] *William Mellish' Account with the house of John Gore and Co., and J. and W. Mellish and Co*., Me B 2/3-4, Nottingham University Library, Department of Manuscripts and Special Collections.
[209] Michael Reed, *William Mellish (1764-1838), Oxford Dictionary of National Biography*, http://www.oxforddnb.com/view/10.1093/ref:odnb/9780198614128.001.0001/odnb-9780198614128-e-48030#odnb-9780198614128-e-48030-headword-2, (accessed 28th August 2016)
[210] TNA PROB 11/1897/11.
[211] Grassby, *Kinship and Capitalism,* p.50.

Besides, marrying off a daughter and welcoming a daughter-in-law may have different financial implications for the family. Therefore, looking at the mercantile community from the standpoint of the merchants themselves could lead to important factors being overlooked. For instance, it was, eventually, the women – Dorothy, Anne, and Catherine Gore - who were standing in the centre of the marriage alliance of the Gores and the Mellishes. Their importance as the essential bridge in this mercantile network could be overlooked if they are only considered as tools to realize men's ambitions instead of agents or actors in their own rights. Tools they might be, if they have to be treated as such, they certainly proved to be indispensable tools without which the prospects of these two mercantile families would be vastly different.

The implication of family is further complicated by the dichotomy of gentry and businessmen as such identities were by no means static. Joseph Mellish (1732), despite his ancestors being merchants who mainly specialized the Portugal trade, was a Nottinghamshire gentleman who presumably never ventured into the field of merchandizing. Though he was a gentleman, he married the daughter of one of the City magnates in the Hamburg trade, and his two younger sons determined to leave the country for London and the world of commerce. These two aspirants, whose origins could be arguably either gentry or mercantile, emerged as men of trade in their own right and contributed to building a joint house of business. Backgrounds and origins are dynamic and could change over a single generation making marriage a far more complicated instrument, the study of which requires investigations through family lines.

Moreover, the study of the Gore and Mellish family could provide a reference to the question of how marriage would affect a merchant's business in practice. What was peculiar about the marriages between these two families is that initially it was a straightforward union of a mercantile family from the City and a landed family from the country, but it later evolved into a series of marital alliances that expanded the horizons of the business of both families. The Gores' traditional trade to Hamburg and the Baltic was complemented by the established Portugal trade of the Mellishes. A clear advantage of marriage when compared with mainly relying on the male lines of the family as shown in the two previously discussed cases of the Goulds and the Vernons is that it allows not only vertical but also horizontal integration and continuation with the help of trust, respect, control, and obedience across at least two established mercantile houses. With the support of marriage, the originally separate mercantile networks were woven into a single network in which individuals from both sides could, probably to a large extent, share resources. Therefore, marriage could be potentially considered as a socioeconomic construct for informal or personalized merge or acquisition of mercantile assets. In addition, frequent intermarriages between these two families produced a large pool of candidates in whom the family business could be succeeded and perpetuated.

VI. Social Network Analysis Interpretation

The incorporation of SNA to the analytical model of this chapter is designed, with the help of agent-based system, to see how the individuals 'are located or embedded in the overall network'.[212] Each individual is considered a self-motivated agent connected with other individuals.

Figure 4.6 is a comprehensive illustration of the overall mercantile network involving the three merchant families discussed in this chapter. Thanks to SNA, we can now have a quantitative analysis on this network and the actors within it. Figures 4.7 and 4.8 are a demonstration of the SNA properties of the 15 most important actors out of the 49 actors included in this network. This analysis will include three major SNA properties:

1. Degree, an indicator displaying the total number of agents connected to the agent in question.
2. Closeness Centrality, an indicator of how centred an agent is in the network by investigating how close the agent in question is to all other agents.
3. Betweenness Centrality, an indicator of how centred an agent is in the network by investigating the bridging function of the agent in question between any two agents in the network.[213]

[212] Robert Hanneman & Mark Riddle, *Introduction to Social Network Methods*, Riverside: University of California, 2001, p.3.
[213] See Stanley Wasserman & Katherine Faust, *Social Network Analysis, Methods and Applications*, Cambridge: Cambridge University Press, 1994

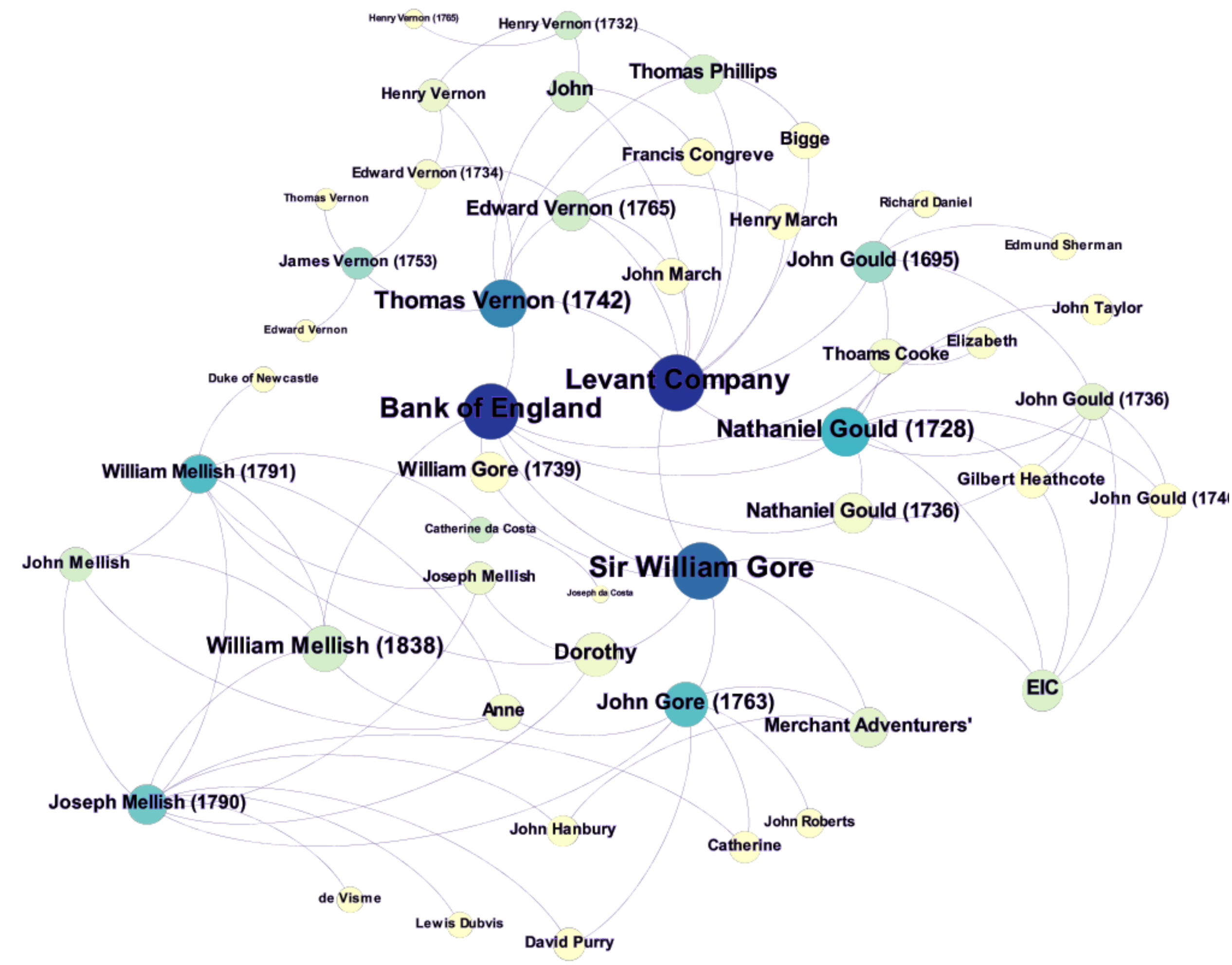

Figure 3.6 The Comprehensive Network of the Three Mercantile Families

Note 1: The size and colour of nodes in this figure scales with their closeness centralities.

Note 2: This figure only includes individuals who are involved in the business of the three discussed families. Therefore, individuals such as Henry Vernon (1732)'s sons, Richard and Edward, who cannot be discerned to have contributed to their family business by the available sources are omitted.

Source: see text

Name of the Agent	Degree	Closeness
Sir William Gore	7	0.4364
Levant Company	11	0.4324
Bank of England	7	0.4286
Nathaniel Gould (1728)	10	0.3871
Thomas Vernon (1742)	7	0.3810
William Mellish (1838)	5	0.3692
John Gore (1763)	7	0.3609
Dorothy	4	0.3582
John Gould (1695)	5	0.3404
EIC	5	0.3404
Nathaniel Gould (1736)	3	0.3357
Edward Vernon (1765)	6	0.3333
Thomas Phillips Vernon	4	0.3333
John Vernon	4	0.3333
William Gore (1739)	2	0.3333

Figure 3.7 The 15 Most Important Agents Firstly in terms of Closeness Centrality

Source: See text

Name of the Agent	Degree	Betweenness
Levant Company	11	0.3511
Sir William Gore	7	0.3153
Bank of England	7	0.2730
Thomas Vernon (1742)	7	0.2035
Nathaniel Gould (1728)	10	0.1747
William Mellish (1838)	5	0.1633
Joseph Mellish (1790)	11	0.1357
John Gore (1763)	7	0.1331
William Mellish (1791)	8	0.1293

Dorothy	4	0.0910
John Gould (1695)	5	0.0884
James Vernon (1753)	4	0.0863
Henry Vernon (1732)	4	0.0436
EIC	5	0.0425
Catherine da Costa	2	0.0417

Figure 3.8 The 15 Most Important Agents Firstly in terms of Betweenness Centrality

Source: See text

As demonstrated by the above three figures, it is not difficult to see that the Levant Company and the Bank of England are among the top agents. This could be attributed to their role in connecting the three family subgroups. On the other hand, the East India Company's standing in this particular network is relatively less significant, which is mainly because the Vernon family did not seem to have mercantile interests in the EIC based on the sources used in this study. Nevertheless, since both the Bank of England and the Levant Company are the leading mercantile organizations of early modern London and England, their prominent standings in this network have some interesting implications to understanding the potential of family, as a socioeconomic apparatus, in shaping the early modern London mercantile network. First and foremost, many individuals, thanks to their family connections, were standing close to the centre of the network, as demonstrated by their relatively high closeness centralities, which means they were drawn to the heart of the early modern London business world. The best examples are Thomas Vernon (1742)'s nephews. John and Thomas Phillips Vernon were brought to the Levant Company by their uncle and working as his factors in the company factories in Cairo and Aleppo. Although neither of them seemed to have become great Turkey merchants, they were granted the necessary funds, education, and, probably most importantly, connections by their family to achieve that goal. Apparently, Vernon's other nephew, Edward Vernon (1765) had utilized this opportunity somewhat better in accumulating wealth and cultivating business connections of his own, although it should also be noted that Edward's father was also a Turkey merchant, so he was enjoying more family support in the Levant trade than his cousins. Similarly, many minor agents who were not from the three families discussed in this chapter were also brought closer to the centre. Although they were not themselves relatives, they did benefit from their connections to this family based mercantile network. David Purry was of Swiss origin only naturalized in

1735.[214] As mentioned previously, he was a business contact with John Gore (1763) and a partner of Joseph Mellish (1790). Their partnership, Purry, Mellish and De Visme, was one of the bigger financial and overseas firm in Lisbon responsible for lucrative trading operations and royal contracts granted by the Portuguese government with South America.[215] David Purry was gravitated to the financial and mercantile centre of London by his connection with the Gore-Mellish family, a connection which would not only benefit his business operation in Lisbon but also incorporated him into the wider London mercantile community.

Probably one of the most useful implications from applying SNA on this network is that it shows, with quantitative data, that the most important agents do not necessarily have the largest degree, which means the agents who have the most direct connections with other agents are not necessarily the most connected ones. Following the Levant Company and the Bank of England, the agents that carry the greatest weight are Sir William Gore, Thomas Vernon (1742), and Nathaniel Gould (1728). Discussions in the previous sections of this chapter have shown that these three individuals were the central figures in each of their families: Sir William Gore was the patriarch of the Gore family; Thomas Vernon (1742), although himself did not have any children, organized the family business with his nephews, which makes him practically the mercantile patriarch of the Vernon family; Nathaniel Gould (1728) inherited the mercantile assets from his father and extended his own influence through nephews and the marriage of his daughter. However, neither Sir William Gore nor Thomas Vernon's degrees have to be overwhelmingly higher than the other agents to secure their significantly greater closeness and betweenness centralities. In fact, in many cases their degrees are indeed on par or slightly smaller than the agents behind them. This indicates that the central figures are commanding this business network not only with direct connections but also with indirect influences, which is probably best demonstrated by the case of Sir William Gore. Although Gore does not have the most numerous direct connections, he is, as a matter of fact, the most centred figure in this network excluding the two mercantile organizations. He is connected to the Gould family and Vernon family because he was colleagues with individuals from these two families in the Bank, the Levant Company and/or the East India Company. More importantly, he is connected to the Mellish family, a subgroup of the Gore-Mellish family, through the marriages of his daughter and granddaughters (the daughters of his son John Gore (1763)). In this network, Sir William Gore is, to a very large

214 Parliamentary Archives, Private Act, 9 George II, c.38, HL/PO/PB/1/1735/9G2n77
215 Augusto de Lima, *Historia dos diamantes nas Minas Gerais, seculo XVIII*, Rio de Janeiro: Livros de Portugal, 1945, p.117

extent, acting as a bridge between the Melishes and all the other agents in the network. Furthermore, William Mellish (1838)'s closeness and betweenness centralities are falling just behind the two mercantile organizations and the central figures of the three main mercantile families, which makes him practically act as the centre of the Mellish family subgroup. However, according to the previous discussion on the business operation of the Gore-Mellish Family, William Mellish (1838)'s career as an overseas merchant and a director of the Bank of England should to credited, at least to some extent, to his father and uncle's marriages and business connections with John Gore (1763), which is part of Sir William Gore's legacy.

Moreover, it is interesting to note that certain women and agents who did not take merchant as a profession such as Dorothy Gore, Henry Vernon (1732), and Catherine da Costa carries noticeable weight in this network, especially in the department of betweenness centrality. This is mostly because they were essential bridging and supporting characters for their family business, which has already been covered by previous discussions. However, SNA allows us to conduct a quantitative and visualized analysis on the importance of such characters in the network. In such manner, qualitative discussions are backed and tested with quantitative data, and more importantly, with the help of these data, it is possible for us to compare the standings and relative significance of the agents in the network. As demonstrated by figures 4.7 and 4.8, Dorothy is carrying much greater weight than a majority of the agents in this network most of whom were traders by profession. Although it could be argued that her prominence should be attributed to Sir William Gore and his agenda of establishing a marriage alliance with the Mellish family, Dorothy's standing, both in terms of betweenness centrality which describes her role in bridging other agents and in terms of closeness centrality which describes how centred she is in the network, is, without a doubt, a demonstration of the significance of marriage in maintaining this comprehensive mercantile network.

Furthermore, although, in chapter 2, we have seen that London households lived within the wall tended to be of a moderate size, however, figure 4.6 shows that, apart from the already noted shortcomings of the marriage duty data, this pattern of limited household size might not be a very good indicator of early modern Londoners' family structure. If we accept that family is, to a certain extent, an organism defining and safeguarding private property, the boundary between family and household should probably be somewhat obscure, and this is especially true for early modern London merchants. Because even for the Gould family, which was a case of direct father to son connections, siblings and uncle/nephew relations are still key to the business operation of its central figures, not to mention Thomas Vernon (1742) and John Gore (1763) who have such close connections with their extended family. Therefore, at least for the London overseas traders who were relatively active around 1700, it would be problematic to focus on their household, in particular their household size, when trying to understand their family structure, because the boundary of family could potentially be much more blurred for someone who took up merchandizing as a profession during this time.

Obviously, the SNA study in this chapter has its limitations. It is built on a family network; thus all the connections are inevitably subject to family relations. Relatively peripheral agents of this network were not necessarily otherwise minor traders or foreign merchants without the connections with these three families. For example, Gilbert Heathcote was one of the business magnates who had substantial influence on his fellow merchants, and David Purry also had other business contacts in London.[216] The analysis is also constrained by sources. The network in figure 4.6 is drawn based on the discussions in the previous sections of this chapter, but these discussions cannot provide a complete picture of the family network of these three families simply with the sources included by this particular study. However, it could be argued that the main benefits of using SNA in this study are: firstly, it provides an insight at one level, a level that examines early modern London merchants and their commercial operations with a family-based network, thereby showcasing how family had structured the early modern London mercantile network; and secondly, it offers means to test and specify the qualitative arguments made in previous discussion clarifying if and to what extent such arguments could reflect the limited realities constructed by this study with quantitative and visualized data, which gives this approach the potential to be perfected and applied in other similar researches.

VII. Conclusion

Marx and Engels believe that family is a socioeconomic apparatus associated with division of labour and private property. It came to existence with the emergence of private property, and it served to define and safeguard a certain set of property rights under a certain mode of production.[217] Therefore, according to Marx and Engels, the early modern London mercantile family should be considered a tool or instrument exploitable by the London

216 Louis-Edouard Roulet, *David de Pury, 1709-1786*, Hauterive: Editions Gilles Attinger, 1986, p.60
217 Richard Wiltgen, Engels' 'Origin of the Family' as a Contribution to Marx's Social Economy, *Review of Social Economy,* Vol.37, no.3, (December, 1979), p.345

merchants to realize their business plans. Obviously, it is arguable what constitutes a mercantile family, how different it is from an average family of the time, if such generalized stereotype really existed, and whether merchants treated their family members differently. However, the study of the chapter has shown that early modern London merchants did intentionally employ their sons, daughters, brothers, and nephews to achieve their business objectives. Some merchants used their family as a timeless commercial vehicle that could accumulate and expand through generations; some used their family members as more easily accessed human resources in supporting their business; and some established marriage alliances to secure and enhance their standings in the mercantile world. It was, in a way, by these different adoptions of the instrument that is called family that a comprehensive mercantile network was weaved and maintained, as shown in the SNA analysis. Whether these conducts were associated with the emergent and probably maturing capitalistic mode of production or not is still open to question, but our discussion provides an insight into overseas mercantile network of early modern London merchants and how it could be structured and influenced by family. Furthermore, although family was definitely used by merchants as an economic device to secure private property, the London mercantile patriarchs did not necessarily see all their family members as walking ledgers or marriage certificates. Family members tend to be cheaper human resources for business partly because they could be internalized into a scenario of repeated exchanges that could reduce uncertainties. During this process of internalization, cultural and emotional sentiments such as trust, respect, control, and obedience are also incorporated, as suggested by Tabellini. Therefore, even if we consider family as mainly an economic institution destined to fulfil its duty in securing property rights, social and human factors were still working in supporting this system, which could in turn influence the wider mercantile network of early modern London.

The discussions of the chapter have implied that personal relations such as familial connections were still essential to the London overseas merchants in the late 17th century and 18th century. However, this chapter has also demonstrated, especially with the SNA study, that even for a mercantile network built on family, prominent mercantile organizations such as the Bank of England and the Levant Company were still sitting on the central positions. The Goulds, the Vernons, and the Gores were living at an interesting turning point in the English financial history. With a maturing state at home and political incidents beyond the Channel, an organizational restructure that could drastically change the London mercantile community and reshape it with a touch of impersonalization and formal rules was on the horizon. The next two chapters will try to tell this story by first looking into the joint-stock giants of this time – the Bank of England and the EIC, and later examining the more traditional guild-like Levant Company as well as the emerging public spaces for merchants to meet, bargain, and prosper.

Chapter 4 Joint-Stock Companies around 1700

We care not for those martial men that do our states disdain; but we care for the merchant men who do our states maintain.

-- *We be Three Poor Mariners*, 17th century English ballad[218]

I. Approaching Merchant Guilds and Late 17th - Century Joint-Stock Companies

In the Introduction, we have reviewed that how economic and social historians have documented the course and structure of the expansion of the English foreign trade by the end of the 17th century. Researchers have also noticed that this remarkable period of prosperous overseas trade was accompanied by the rise of chartered trading companies.[219] As mercantile associations that specialized in distant trade, these pre-modern chartered companies could normally be categorized into two forms of organizations: regulated companies that were more in resemblance of medieval merchant guilds and are essentially licensing institutions in which merchants, on payment of an entry fee, were admitted to the company but thereafter traded on their own account; and joint-stock companies in which merchants or other investors staked their shares in the company stocks but relied on the company employees to trade on their behalf.[220] This chapter will try to investigate the London mercantile involvement in the joint-stock organizations at the turn of the 18th century by looking into the founding of the Bank of England and the restructuring of the East India Company as two study cases, whereas the next chapter will turn to regulated organization will a focus on the Levant Company.

Ralph Davis suggested that late 17th and early 18th century England was sitting in the middle of two great foreign trade expansions.[221] The first expansion which took place between 1475 and 1550 was marked by the rapidly growing export of English woollens to Near Europe.[222] This boom laid the ground for new mercantile organizations, and probably gave birth to the first Chartered trading companies in England. The part of the English mercantile community that reaped the most profit from this trade expansion were the members of the Company of Merchant Adventurers, a nation-wide mercantile organization

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218 William Chappell, *Popular Music of the Olden Time*, Volume 1, London: Cramer, Beale & Chappell, 1859, pp.134-135.
219 Charles Wilson, *England's Apprenticeshpi, 1603-1763*, Oxford: Oxford University Press, 1965, p172
220 Ann Carlos & Stephen Nicholas, Agency Problems in Early Chartered Companies: The Case of the Hudson's Bay Company, *The Journal of Economic History*, Vol.50, No.4 (December 1990), p.854
221 R. Davis, *English Overseas Trade 1500-1700*, p.7.
222 Ibid, p.15.

with considerable overlap of membership with the London Mercers' Company.[223] Following the example of the Merchant Adventurers, merchants who had interests in the traffic to the Baltic acquired the charter to form the Eastland Company in 1579. Although the Eastland merchants were known to carry Baltic goods such as iron, wood and hemp for the journey back home, the Company was very similar to the Merchant Adventurers regarding its focus on textiles export - 'the Eastland Company is to be regarded primarily as an organization for the export of cloth'.[224]

The 17th century trade expansion, marked by an exponential growth in re-exporting colonial and oriental goods to other European countries, extended the horizon of English foreign trade in both geographical and quantitative terms, which was potentially conducive to the emergence of a variety of innovations in the field of merchandizing by the end of that century. Ralph Davis called the new characteristics that accompanied this trade expansion a 'revolution in trade', as the new trading pattern which put a special focus on re-export and encouraged merchants to venture to lands thousands of miles from home called for massive investment, usually more than individual merchants or merchant families could muster, and new methods of tackling risks, coordination, and contractual problems.[225]

The 17th century, especially the second half of it, witnessed the founding of several major joint-stock companies that were granted trade monopolies to certain distant regions. The Hudson's Bay Company was incorporated in 1670 to establish trade, the fur trade in particular, with the Canadian region. Re-structured with a new royal charter in 1672, the Royal African Company had the monopoly of trade along the west coast of Africa with its main interests being the acquisition of gold, silver, ivory, and slaves. However, using joint stock to form monopolistic organizations was by no means a new introduction to the 17th century. The first English joint-stock company was the Muscovy or Russia Company which had its charter granted in 1555 after an unsuccessful expedition to discover the north-east passage to the Indies, decades earlier than the Eastland and Turkey Company.[226] As a recently developed trade route, the Russian trade required a considerable sum of initial capital, and the trade with such a country whose 'political, economic, and social condition was imperfectly known in the west' was obviously a risky business that demanded careful planning of both

223 Thomas Leng, *Fellowship and Freedom: The Merchant Adventurers and the Restructuring of English Commerce, 1582-1700*, Oxford: Oxford University Press, 2020, pp.1-27.
224 Hinton, *The Eastland Trade and the Commonwealth*, p.53.
225 R. Davis, English Foreign Trade, 1660-1700, p.162.
226 Richard Hakluyt, *Voyages and Discoveries: The Principal Navigations, Voyages, Traffiques and Discoveries of the England Nation*, edited by Jack Beeching, Harmondsworth: Penguin, 1972, pp.60-66.

merchandizing and shipping as well as a resident agency.[227] A joint-stock company even in its early modern form such as the Russia Company and the East India Company which received its first royal charter in 1600, by its nature, operated on permanent funds normally raised publicly, and, unlike a regulated company, it traded as a body of its own right, whereas the members, as shareholders of the company, were not expected or supposed to trade individually.

However, although the English foreign trade expansions were, to a certain extent, chronologically coincided with the rise of chartered companies, and the joint-stock companies seemed to be a more novel development after the 17th century, the casual relation of these mercantile associations and the boom of trade is still a complicated matter.

It has been argued that charted companies, the joint-stock ones in particular, are nothing but monopolistic rent-seeking devices since Adam Smith.[228] Smith's criticisms of the joint-stock companies were mainly based on two grounds. Firstly, these companies had recognizable principal-agent problem: 'Like the stewards of a rich man, they (the directors) are apt to consider attention to small matters as not for their master's honour … Negligence and profusion [sic], therefore, must always prevail, more or less, in the management of the affairs of such a company'.[229] And secondly, as with his usual stance towards monopoly, Smith was opposed to the exclusive trading privileges enjoyed by these companies. He admitted that to establish a new trade with 'some remote and barbarous nation', joint stock is a reasonable method to raise necessary capital from the public and granting a monopoly for a certain number of years to the thus incorporated company is also a natural compensation and incentive for taking such risks. A perpetual monopoly, on the other hand, would only harm the commonwealth by inducing absurd monopoly tax in the forms of higher prices for consumers and exclusion from certain business for private traders.[230]

Later economic historians had taken Smith's baton and advanced on both fronts. E. Cooernaert extended the principal-agent problem between investors and directors to companies and agents, and remarked that 'seldom or never did the companies set up a rigorous hierarchy … For the most part the bonds between these agents and their companies were exceedingly tenuous; distances were often immense, and everywhere the companies' representatives of all ranks were empowered to carry on trade for their private accounts and

[227] T. S. Willan, *The Early History of the Russia Company 1553-1603*, Manchester: Manchester University Press, 1956, pp.275-276.
[228] Gary Anderson & Robert Tollison, Adam Smith's Analysis of Joint-Stock Companies, *Journal of Political Economy*, Vol.90, No.6 (Dec., 1982), pp.1237-1256.
[229] Smith, *The Wealth of Nations*, p.800.
[230] Ibid., p.814.

were often, in effect, the most dangerous rivals of their own companies.'[231] K. Chaudhuri and T. S. Willan recognized that the private trade conducted by company employees resided in the overseas factories were indeed a major area of conflict for both the East India Company and the Russia Company.[232] S. Jones and Simon Ville, after establishing a model pioneered by Peter Buckley and Mark Casson, proposed that early modern joint-stock companies were adopted 'not because they represented a transactionally efficient form for conducting long-distance trade but because they were a contractually efficient form for extracting monopoly rents', and only then could the relatively high transaction costs induced by their inefficient transactional mode be offset.[233]

These criticisms against joint-stock companies and sometimes chartered companies in general did not go without being challenged. Some historians argued that it was thanks to these mercantile organizations, monopolistic or not, that England could experience such remarkable trade expansions between the 15th and 18th century, such as Ralph Davis and Charles Wilson who suggested that 'Without the resources which only the joint stock Company could mobilise, the expansion of trade in far-distant and turbulent lands would, at this stage, have been impossible'.[234] William Scott contested Smith's suggestion of monopolistic join-stock companies being inefficient when compared to private traders on the ground that Smith's evidence was inaccurate and selective, claiming that the East India Company was much more financially healthy than Smith suggested, and the seemingly more competitive private merchants, or the interlopers as they are frequently referred to in the discussion of the East Indian trade, were simply free riders taking advantage of the public resources provided by the Company.[235] Moreover, although Scott acknowledged that Smith's 'general contention of the inefficiency of the management merits further investigation', he took a strong position in defence of the joint-stock companies by claiming that 'while the methods of control and of internal organization were far from perfect, they were much better than might have been expected, considering the times and how undeveloped the joint-stock

[231] E. L. J. Coornaert, 'European Economic Institutions and the New World: The Chartered Companies', in E. Rich & C. Wilson (eds.), *Cambridge Economic History of Europe*, Cambridge: Cambridge University Press, 1967, Vol.4, p.262
[232] K. G. Chaudhuri, *The Trading World of Asia and the English East India Company, 1660-1760*, Cambridge: Cambridge University Press, 1978, pp.115-117.
T. S. Willan, *The Early History of the Russia Company*, pp.125-126.
[233] S. Jones & Simon P. Ville, Efficient Transactors or Rent-Seeking Monopolists? The Rationale for Early Chartered Trading Companies, *The Journal of Economic History*, Vol.56, No.4 (Dec., 1996), p.899.
Peter Buckley, 'New Theories of International Business: Some Unresolved Issues,' in *The Growth of International Business*, edited by Mark Casson, London: Allen & Unwin, 1983, pp.42-43.
[234] Ralph Davis, *English Overseas Trade 1500-1700*, London: Macmillan, 1973, p.43.
Charles Wilson, *England's Apprenticeship,* p.173.
[235] Scott, *The Constitution and Finance*, pp.452-453.

system was in the seventeenth century'.[236] Carlos and Nicholas argued that, empirically, early modern joint-stock companies had many tools to fight against the jeopardy brought by the principal-agent problem: 'the trading companies vertically integrated when the frequency of transacting was high and exchange required transaction-specific investment', and 'the Hudson's Bay Company and the Royal African Company designed mechanisms well suited to controlling agent opportunism'.[237] To be more specific, they suggested that besides oaths, pre-employment bonds, relatively high wages, surprise searches of incoming ships, and performance indices used by the two companies to ease the inherent tensions associated with risk sharing and incentive alignment, the Hudson's Bay Company also fostered a social system by attempting to create a 'family environment' to mitigate opportunistic behaviours.[238] In fact, recently, historians have taken a revisit to the private trade under the joint-stock system. Santhi Hejeebu made an interesting proposition as to how the East India Company was able to cope with the agency problem by utilizing hierarchical organization rather than the open market. She suggested that the problem of contract enforcement that reflected a multi-task principal-agent problem for the East India Company was solved by its directors' allowing Company agents to trade privately sustained by the private use of company resources, but at the same time maintained the flexible use of dismissals to punish the agents who failed to devote sufficient effort to the Company's business.[239] Soren Mentz took an even further step by suggesting that the private trade carried by the East India agents should be seen as a network of independent trading connections emanating from London. The East Indian agents operating in the Indian factory between the mid-17th century to the mid-18th century were, to a certain extent, an organic part of the English mercantile communities, or even the London mercantile community, as most of them were from that community and their private business were greatly intertwined with the mercantile networks back in the City, therefore, these agent merchants were not too different from the English merchants in the West Indies or in the Americas.[240]

[236] Ibid, p.451.
[237] Ann Carlos & Stephen Nicholas, Theory and History: Seventeenth-Century Joint-Sock Chartered Trading Companies, *The Journal of Economic History*, Vol.56, No.4 (Dec., 1996), p.916.
[238] Ann Carlos, Principal-Agent Problems in Early Trading Companies: A Tale of Two Firms, *The American Economic Review*, Vol.82, No.2, (May, 1992), pp.140-145.
Ann Carlos & Stephen Nicholas, Agency Problems in Early Chartered Companies: Case of the Hudson's Bay Company, *The Journal of Economic History*, Vol.50, No.4 (Dec., 1990), pp.872-874.
[239] Santhi Hejeebu, Contract Enforcement in the English East India Company, *The Journal of Economic History,* Vol.65, No.2 (Jun., 2005), pp.496-523.
[240] Soren Mentz, *The English Gentleman Merchant at Work: Madras and the City of London*, 1660-1740, Copenhagen: Museum Tusculanum Press, 2005, p.285

Determining whether chartered companies were one of the major contributors to the emerging success of English foreign trade in the early modern era is, obviously, a daunting and controversial task. However, it is not difficult to see that both sides of the arguments shared at least one common ground: these mercantile organizations did benefit the merchants who were directly or indirectly involved in their operations. Sheilagh Ogilvie, although casting doubt on the overall efficiency of the chartered trading companies and their contribution to trade and economy by remarking that ‘when merchant guild privileges were introduced or strengthened, trade declined’, did find that as rent-seeking devices, these companies were generally proficient in providing rents for the rent seekers, so much so that instead of fixating on the issue of efficiency, more attention should be made to the problem of internal distribution within the chartered structure: ‘distributional conflicts provide a better explanation than efficiency for the core economic institutions of pre-industrial Europe: serfdom, the community, the craft guild, and the merchant guild’.[241]

Trading companies were, first and foremost, mercantile organizations established, maintained, and operated by merchants and their associates. Ronald Coase introduced the concept of transaction costs by suggesting that a firm, in its most abstract and basic form, is an organization that allows certain authority to direct resources in order to save such costs.[242] Coase’s theory of an entrepreneurial directory power replacing market mechanism sparked the topic of economization on transaction costs and new interpretations on vertical integration. Oliver Williamson suggested that business organizations mainly serve to negate the transaction costs incurred by *ex post* contracting complications so that the parties involved and henceforth the entire economic system would benefit.[243] Greif, Milgrom, and Weingast proposed that early merchant guilds helped overseas merchants battle the uncertainties incurred by arbitrary foreign rulers and enforce private property rights thus ‘contributing to the expansion of trade during the late medieval period’.[244] Ron Harris developed a definition for ‘business corporation’ that should be embedded with seven core characteristics: separate legal personality, a collective decision-making mechanism, joint-stock equity finance, lock-in of investment, transferability of participants’ share of interest in the corporation, protection from expropriation, and asset partitioning, most of which deal

241 Sheilagh Ogilvie, *Institutions and European Trade, Merchant Guilds, 1000-1800*, Cambridge: Cambridge University Press, 2011, p.87
Ogilvie, ‘Whatever Is, Is Right’?, p.649.
242 Coase, The Nature of the Firm, p.392.
243 Oliver E. Williamson, *The Economic Institutions of Capitalism: Firms, Markets, Relational Contracting*, New York: The Free Press, 1985,, p.21.
244 Avner Greif, Paul Milgrom & Barry Weingast, Coordination, Commitment, and Enforcement: The Case of the Merchant Guild, *Journal of Political Economy*, Vol.102, No.4 (Aug., 1994), p.745.

with the transaction costs problem and the English and Dutch joint-stock companies possessed at least the first six.[245] Klein, Crawford, and Alchian, on the other hand, tried to improve Coase's implication on vertical integration. They suggested that his primary distinction between transactions made within a firm and transactions made in the marketplace may often be too simplistic', and a better approach would be 'examine the economic rationale for different types of particular contractual relationships in particular situations, and consider the firm as a particular kind or set of interrelated contracts'.[246] Indeed, by establishing business organizations directed by merchant themselves, medieval and early modern European merchants could reap lucrative rewards through vertically integrating ceratin aspects of their trade with self-enforcing rules, and those that could not be integrated at first, such as foreign political disturbance, may be averted with games of bargaining and later alleviated by royal charters.

It is important to note that as economic and political superstructure gradually, or abruptly in some places, changed when Europe leaving the Medieval age, so did the trading companies in pursing a new balance in between expanding the horizon of overseas trade and preserve the privileges of the traders. We have seen the established arguments held by economic historians such as Ralph Davis and Charles Wilson that chartered companies, especially those took up joint-stock as the primary technique of raising capital, were an irreplaceable instrument for European merchants in the effort to prosper from inter-continental trade which was rapidly becoming more and more and frequent and sophisticated. In recent years, some scholars have been paying attention to forces and structures that are beyond pure economic motivations. Grafe and Gelderblom suggested that with the rise of early modern European state, merchant guilds began to face a formidable competitor in the field of property protection and contract enforcement thus impairing their capabilities of creating rents: 'Merchant guilds might be thought to have lost their purpose in the fifteenth and sixteenth centuries when European rulers became increasingly comminated to the creation of law courts and the protection of trade through diplomacy, convoying, or even outright warfare'.[247] Similarly, Avner Greif demonstrated that with the change of political weather in Europe, merchant guilds lost the gravity in providing self-enforcing and mutually beneficial deals for both merchants and rulers with an interesting model under the influence

245 Ron Harris, *Going the Distance: Eurasian Trade and the Rise of the Business* Corporation, 1400-1700, Princeton: Princeton University Press, 2020, pp.250-252

246 Benjamin Klein, Robert Crawford & Armen Alchian, Vertical Integration, Appropriable Rents, and the Competitive Contracting Process, *The Journal of Law & Economics*, Vol.21, No.2 (Oct., 1978), p.326.

247 Regina Grafe & Oscar Gelderblom, The Rise and Fall of the Merchant Guilds: Re-thinking the Comparative Study of Commercial Institutions in Premodern Europe, *Journal of Interdisciplinary History,* Vol.11, No.4, (Spring, 2010), p.484.

of game theory.[248] However, both of these writers acknowledged that, from historical experience, trading companies did not disappear. Grafe and Gelderblom argued that 'political fragmentation may have contributed to the persistence of merchant guilds', and Greif remarked that some companies survived and 'consolidated their political power and, after securing their members' rights, turned to limiting the rights of their competitors'.[249]

Apparently, merchants and their guilds learned to adapt, with joint-stock and royal charters. Rather than the old practice of complimenting the function of political superstructures, trading companies developed a new symbiotic relationship with state and rulers. Political integration in the early modern age gave royals charters new implications, they are now enforced by the state sovereignty. Carlos and Kruse had demonstrated that charters issued by early modern state had the impressive effect of preserving monopoly and specifying property right, and they could greatly influence the operation of trading companies. The Royal African Company was performing as it should in Barbados and Jamaica where its charter was more certain about its monopolistic right, but was substantially less successful in other regions, as 'lacking a clear and certain property right with the removal of government commitment, the cost of fringe activity declined and penetration increased'.[250] Moreover, with endorsement of a royal charter, the trading companies were able to publicly raise capital using the joint-stock instrument arguably pioneered by the Low Countries. Gelderblom regarded join-stock companies as one of the 'open access' institutions that laid down the ground for the success of the commercial hubs in the Low Countries since the late medieval period.[251] Some joint-stock companies may have been stepped too far into the public domain and participated in the political responsibilities of state and government such as the British East India Company. Philip Stern argued that the EIC was a state unto itself, a company-state, and when it came to illegal trade violating the charter, he suggested that 'interloping was more an offense against jurisdiction than commerce'.[252]

However, this new symbiotic relationship was, as one may expect, not without conflict and friction. Joint-stock or not, trading companies were organizations that prioritized mercantile interests, and their well-beings were not always in accordance with the general

[248] Avner Greif, *Institutions and the Path to the Modern Economy: Lessons from Medieval Trade*, Cambridge: Cambridge University Press, 2006, p.122.
[249] Grafe & Gelderblom, The Rise and Fall of the Merchant Guilds, p.485.
Greif, *Institutions and the Path to the Modern Economy,* p.122.
[250] Ann Carlos & Jamie Brown Kruse, The Decline of the Royal African Company: Fringe Firms and the Role of the Charter, *The Economic History Review*, New Series, Vol.49, No.2, (May, 1996), p.312.
[251] Oscar Gelderblom, *Cities of Commerce: The Institutional Foundations of International Trade in the Low Counties, 1250-1650*, Princeton: Princeton University Press, 2013, pp.2-3.
[252] Philip Stern, *The Company-State: Corporate Sovereignty and the Early Modern Foundations of the British Empire in India*, New York: Oxford University Press, 2011, p.56.

economic interests of the commonwealth or the Crown. More than usual and especially under particular circumstances, these organizations would become major arenas in which the mercantile community bargained with the Crown and fought among themselves, which, probably most noticeably in the English financial history at the end of the 17th century, gave birth to the Bank of England and the New East India Company. The joint-stock boom of the late 17th century, which will be investigated in further detail in the following section, drew a series of dedicated attacks on the monopolistic practices of both newly founded joint-stock companies and those had enjoyed their privileges for decades. These accusations, later known as the 'free trade movement', are important to the narratives of this chapter because unlike previously reviewed scholarly criticism, they were more of a demonstration of conflicting interests of different parties or group, usually from within the mercantile community.

The free trade movement in the late 17th century has been a well-established topic, investigated by scholars of various interests.[253] In fact, the very word 'free trade' could have no less than six different uses for contemporaries, although an underlying idea did exist: removing the restraints on trade which mainly covered exclusive monopoly and protective tariffs or the prohibition of imported goods.[254] The stance of joint-stock companies in this movement is particularly interesting as, for example, the trade practice of the East India Company was inconsistent with the 'balance of trade' principle entailed in the prevailing mercantilist ideology. Thus, it had to defend itself against the motion to restrict the export of bullion, but on the other hand it apparently was reluctant to concede its monopoly to rival company and interlopers.[255] The attacks in the name of economic liberalism were launched on almost every monopolistic company but with different levels of success. The attacks launched by home merchants and the planters and traders of the West Indies on the Royal African Company resulted in a 1698 Act which allowed English and colonial merchants to trade in Africa upon the payment of a small duty, admitting the necessity of the forts and castles maintained by the Company, and making the African trade a virtually open one with the Company being more or less an infrastructure provider.[256] Although the Hudson's Bay

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[253] For political writers, see W. Ashley, *Surveys, Historic and Economic*, London: Longmans, 1900, p.270; L. B. Packard, International Rivalry and Free Trade Origins, 1660-78, *Quarterly Journal of Economics*, Vol.37, No.3 (May, 1923), pp.412-413; and Donald Wagner, Coke and the Rise of Economic Liberalism, *The Economic History Review*, Vol.6, No.1 (Oct. 1935), pp.30-44. For economic writers, see P. J. Thomas, *Mercantilism and the East India Trade*, London: Frank Cass, 1923, pp.94-96; E. Heckscher, *Mercantilism, Vol.1*, London: George Allen & Unwin, 1935, p.300; and Westfield, *Middlemen in English Business*, p.124. Besides, some writers tried to explain this movement with a religious perspective such as R. H. Tawney, *Religion and the Rise of Capitalism*, New York: Penguin, 1948, p.226.

[254] P. J. Thomas, *Mercantilism and the East India Trade*, p.78.

[255] Charles Wilson, Treasure and Trade Balances: The Mercantilist Problem, *The Economic History Review*, New Series, Vol.2, No.2, (1949), p.156.

[256] K. Davies, *The Royal African Company*, p.134.

Company was permitted to retain its privileges, the battle against the London feltmakers and merchants trading in both New York and England proved to be a fierce one.[257] The East India Company, under pressure from City merchants and the Crown due to its wartime financial difficulties, had to endure the establishment of a rival company in 1698. The story of the East India Company is a much more complicated one as it not only concerns the rights of trading freely to the east but was also influenced by the urgent needs of the mercantile community for investment opportunity, partly due to the raging conflict with France having disrupted a considerable amount of their trade.

As a result, by the end of the 17th century, the mercantile organizational landscape of England and London was quite different from a century or even half a century before. These changes had altered the fashion in which London merchants conducted their daily business. Joint-stock companies, no longer new devices by this time, still presented new opportunities as well as challenges. Merchants were granted an instrument to profit from overseas trade without personally participating in it. It did not take too much effort for some merchants to realize that with the help of joint stock they could reap rewards from beyond their long-familiar business of merchandizing. The turn of the 18th century, therefore, marked a critical juncture for London merchants whose personal choices would eventually evolve into organizational experiences and decisions which were intertwined with the fate of both their companies and the state. Some of the companies had existed for a long time but were calling for transformation under new pressures whereas some were recently founded to meet the immediate obligations induced by current events. The rest of this chapter will unfold these merchants' stories from the perspectives of two joint-stock enterprises – the Bank of England and the East India Company – both boasting unparalleled prominence in the economic life of England and her merchants.

[257] George Cherry, The Development of the English Free-Trade Movement in Parliament, 1689-1702, *The Journal of Modern History*, Vol.25, No.2 (Jun., 1953), pp.108-109.

II. The Bank of England

The Financial Revolution introduced new opportunities for both the Crown and the London overseas merchants. The immediate motivation for these innovations was the urgent need of the Crown to raise funds for its involvement in the War of the Grand Alliance or the Nine Years' War which lasted from 1688-1697. England's commitment to the war to curtail Louis XIV's ambitious territorial expansion on the continent and protect the Dutch Republic, while providing conditions that would encourage trade and commerce proved to be unprecedently expensive and taxing in terms of manpower as well as the finance of the state.[258] As Charles Davenant complained:

> For war is quite changed from what it was in the time of our Forefathers; when in a hasty Expedition and a pitch'd Field, the Matter was decided by Courage; but now the whole Art of War is in a manner reduced to Money; and nowadays that Prince, who can best find Money to feed, cloath, and pay his Army, not he that has the most valiant Troops, is the surest of Success and Conquest.[259]

It was soon realized that the Crown not only had to pay for the military campaigns taking place in the Low Countries as well as Ireland due to a rebellion in support of James II, it was also responsible for offering wartime aids and subsidies to the allied nations such as Prussia, Savoy, Saxony and Hesse Cassel, some of which amounted to an annual expense of £20,000.[260] Therefore, it was hardly surprising that the Exchequer found itself in a precarious situation: during the wartime years of 1688-1697 total expenditure over all reached £49,320,145 whereas the total income was only £32,766,754, leaving an astonishing deficit of £16,553,391.[261] The financial pressure on the English Crown represented by the ratio of deficit to total expenditure during the Nine Years' War was, in fact, even greater than the two Wars of Succession and the Napoleonic Wars.[262] As a result, the desperate needs of William III's government for borrowing and financial aids encouraged a range of projects including but not limited to the introduction of Land Tax, the establishment of the Land Bank, the

[258] John Childs, *The Nine Years' War and the British Army, 1688-1697: The Operations in the Low Countries*, Manchester: Manchester University Press, 1991, p.27.
[259] Charles Davenant, *An Essay upon Ways and Means of Supplying the War*, London: Jacob Tonson, 1695, pp.26-27.
[260] D. W. Jones, *War and Economy*, pp.7-11.
[261] Dickson, *The Financial Revolution in England*, p.10.
[262] Ibid.

recoinage of currency, and the founding of the Bank of England.[263] These projects would prove to have a major impact on English foreign trade. The political needs of governments once again become important driving forces for the innovations of mercantile enterprise, as commentated by Montchrestien, a French contemporary political economist:

> It is impossible to make war without arms, to support men without pay, to pay them without tribute, to collect tribute without trade. Thus the exercise of trade, which makes up a large part of political action, has always been pursued by those who flourished on glory and power.[264]

At the very beginning of his renowned history of the Bank, Clapham claimed that 'The establishment of the Bank of England can be treated, like many historical events both great and small, either as curiously accidental or as all but inevitable'.[265] Indeed, had the country not been in a prolonged war with arguably the most powerful nation on the Continent, the government would hardly have found itself in such a financially unfavourable position as previously mentioned, thus having to raise money in exchange for a charter that would have a great and perpetual effect on English financial and economic history. However, it is also necessary to realize that although the War of the Grand Alliance may prove to be the proximate cause for the financial innovations of the late 17th century and the founding of the Bank in particular, the root of the cooperation between the state and the industrious London merchants was already planted before the War even started.

When William of Orange was crowned King of England in 1689, English government borrowing of different kinds already had a long and tangled history dating back to the Plantagenets.[266] The petitions and propositions for the creation of some sort of a national Bank, however, had only started to appear since the Elizabethan period but rapidly increased in both number and volume during the Stuart regime. One scheme proposed early in Charles I's reign advocated the 'gatheringe and raisinge of a Bancke or Treasure permanent…which might ever be ready on all occurrences of occasions for ye supply of our soveraigns in their wars,' and enable 'ye merchants to traffique, ye gentlemen, yeomen and husbandmen to stock, store, and tyll their grounds, and ye artificers to work and trade'.[267] In early 1692 the

[263] Henry Roserveare, *The Financial Revolution 1660-1760*, New York: Routledge, 1991, pp.33-47.
[264] Antoine de Montchrestien, Traicte de l'oeconomie politique, 1615, quoted in C. Tilly, *As Sociology Meets History*, New York: Academic Press, 1981, p.115.
[265] John Clapham, *The Bank of England: a History*, Vol.1, Cambridge: Cambridge University Press, 1970, p.1.
[266] Dickson, *The Financial Revolution in England,* p.39.
[267] S. P. Dom., Charles I, 89, no.17, cited from R. D. Richards, *The Early History of Banking in England*, p.94.

Parliament sent out the signal of granting the liberty of drafting plans for long-term governmental borrowing to the wisdom of the realm by declaring that 'a Committee be appointed to receive Proposals for raising a Sum of Money towards the carrying on the War against France, upon a Fund of perpetual Interest'.[268] In addition to the offerings of tontines, annuities and large-scale mortgages, a swarm of banking schemes were also proposed, and William Patterson's suggestion of founding the Bank of England was but one of them.[269] When Parliament finally assented to Patterson's project, the original subscription of £1,200,000 for the Bank opened on 21st June 1694 with the promise that if half the sum were lent to the state at 8% by 1st August the same year, the subscribers were to be incorporated under the Great Seal as the 'the Governor and Company of the Banke of England'.[270] As the subscription was filled with great ease in ten days, the promised charter of the new Bank was sealed on 27th July in Powis House in Lincoln's Inn Fields.[271] Therefore, the obvious question to ask would be: why was the scheme of establishing the Bank of England accepted by both Parliament and potential creditors, and why did it take the form of an incorporated joint-stock company? The answer to this question is most likely very complex and concerns multiple subjects such as political and partisan struggles. This section of the chapter will examine this issue by discussing how the mainly economic motivation of the London merchants cooperated with the English Crown through a new bargain thanks to the changing political environment both domestically and internationally at the end of the 17th century.

1. The Need for Investment and the Popularity of Joint Stocks

As mentioned earlier, in the exceptional commercial expansion during the second half of the 17th century London was a commanding force in English foreign trade and led the new development. The London business community benefited greatly from the booming trade. Compared to the outset of the century when only 26.51% of London freemen had net personal estates over £500, this figure rose to 37.56% in the 1660s and further increased to 41.56% by the end of the century.[272] In addition, although wealth was still typically concentrated at the top, a substantial middle station, the total value of whose assets rivalled

[268] *Journal of the House of Commons: Volume 10, 1688-1693*, London: His Majesty's Stationery Office, 1802, pp.620-621.
[269] John Horsefield, *British Monetary Experiments*, 1650-1710, London: London School of Economics and Political Science, 1960.
[270] 5 & 6 Wm. and M. c.20.
[271] W. Acres, *The Bank of England from Within*, 1931.
[272] Richard Grassby, The Personal Wealth of the Business Community in 17th century England, *The Economic History Review*, Vol.23, No.2 (Aug., 1970), p.224.

that of the very rich, had emerged. Richard Grassby found that by the end of the 17th century, there were twice as many men in the £10,000 -£20,000 bracket as above it, and an even larger number between £5,000 and £10,000. The total wealth of freemen in the £1,000 - £5,000 bracket came close to equalling the total assets of those above £5,000, and the base was slowly rising.[273]

It is thus not difficult to envisage that the steady accumulation of wealth would drive London merchants to diversify their portfolios and seek new opportunities for investment in hope of further enlarging their assets or spreading and managing the risks in a business that inherently entailed substantial uncertainties and hazards, especially when a major military conflict was waging between England and France, which was not only damaging shipping but also a wide variety of trade.

Peter Earle has conducted a thorough research on the investment behaviour of the London business community between 1660-1730. After studying a sample comprised of 375 individuals from the London middle class, 42 of whom were merchants dedicated to overseas trade, Earle found that just over a third of all assets were in the form of investments, and merchants, although being the richest occupational group in London, were not notably more enthusiastic in investing their assets when compared to other groups.[274] However, as we delve deeper into the composition of their investment assets, a much more complicated and interesting story would reveal itself. Firstly, Earle had identified a pattern that 'Young men tended to be net borrowers. As they grew older, they tended to become net lenders and to invest a higher and higher proportion of their assets outside their business.'[275] Although it is very difficult to investigate the ages of the merchants in the sample used in this thesis, the filtering process almost guarantees that they tend to be established or well-connected members of the mercantile community thus having a greater preference in investing. More importantly, the investment behaviours of the London business community were heavily influenced by their wealth. One seemingly plausible explanation of this phenomenon is that the major joint-stock companies which tended to be regarded as a more profitable and safer investment than smaller companies had entrance barriers that could prove a deterrent to the groups of people who did not have very much to spare. For instance, the minimum sum required for the original subscription of the Bank of England in 1694 was £50 and that of the flotation of the New East India Company in 1698 was £100. Apparently, these large-scale

[273] Ibid, p.230.
[274] Earle, *The Making of the English Middle Class*, p.122.
[275] Ibid, p.144.

fund raisings that were supposed to be open to the public were much less publicly accessible in modern terms and were still, to a large extent, reserved for the wealthier communities. 'It seems reasonable to conclude that there was a tendency for investment in both joint-stock companies and long-term government debt to filter down slowly from the "mercantile bourgeoisie" to the citizenry as a whole, but that this process had not gone very far by the end of our period'.[276] Furthermore, as their wealth increased, the merchants in Earle's sample tended to increase their investments in government debt and company stocks much more than in loans and leases.[277] The relative lack of interest in real estate of wealthier groups is also easily recognizable. This is probably because in comparison to private business and financial market, 'although urban property could yield as much as some branches of trade, although land conferred non-economic benefits, real estate did produce a lower return and it was more heavily taxed'.[278] After the Restoration, the division of labour between traders and bankers was more prominent as the goldsmith-bankers increasingly undertook financial services for merchants. There was even a small colony of bankers resident in Lombard Street, whose business was facilitated by the proximity to the merchants of the eastern square mile.[279] In fact, the business of London bankers also deteriorated during the wartime as the government's improved capacity to borrow seems to have 'crowded out' private borrowing.[280]

D. W. Jones's findings generated from the study of a sample of 42 merchants active in foreign trade around the turn of the 18th century also confirmed the peculiar interests of London mercantile community in joint-stock investment: nearly 30% of the sampled population's mercantile assets were invested in a variety of resorts from bottomry to annuities while the rest of their investment poured into the stocks and bonds of joint-stock companies. About 60% of total non-trade assets were invested in the Bank of England, the East India Company, the South Sea Company and other miscellaneous joint-stock companies; this proportion further rose to over 70% if the bonds issued by the East India Company and the South Sea Company are included.[281] Jones's sample partially overlaps with the sample this study is based upon, therefore it is possible to have a general view of the mercantile asset preference of the merchants investigated. The interests of some merchants in certain risky

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276 Ibid, p.151.
277 Ibid, pp.146-147.
278 Richard Grassby, The Rate of Profit in Seventeenth-Century England, *The English Historical Review*, Vol.84, No.333 (Oct., 1969), p.744.
279 Gauci, *Emporium of the World*, p.144.
280 Stephen Quinn, The Glorious Revolution's Effect on English Private Finance: A Microhistory, 1680-1705, *The Journal of Economic History*, Vol.61, No.3 (Sep., 2001), p.593.
281 D. W. Jones, *War and Economy*, p.278.

investment options are particularly noteworthy as they seemingly contradicted merchants' natural dislike for uncertainties. For instance, the inventory of Daniel Wigfall, who had two entries in the port book database, indicated that he was holding a bottomry bond from the old East India Company worth £391.[282] Peter Joye, a major Baltic merchant with six port book entries, was much more outstanding in the investment of bottomry with a total sum of £2,000 invested.[283] Lending on the security of ships or cargo was a very risky investment, as one contemporary authority put it:

> 'Money lent to sea, or that which is called *Pecunia trajectitia*, there the same is advanced on the hazard of the Lender, to carry (as supposed) over sea; so that if the Ship perishes, or a spoliation of all happens, the Lender shares in the loss without any hopes of ever receiving his Monies; and therefore is called sometimes *Usura Marina*, as well as *Fanus Nauticum*, the advantage accruing to the Owners from their Money, arising not from the Loan, but from the hazard which the Lender runs…'.[284]

Joye and Wigfall's choices of having such risky assets were apparently a demonstration of their wealth which made them better equipped to carry the risk; yet more importantly, they also implied the acute needs of London merchants for investment outlets for their substantial gains from the trade expansion.

Indeed, London merchants, or at least a significant proportion of them, had a further reason to be enthusiastic about joint stock or, in fact, any safe and reasonably profitable investment because the War had forced a series of losses on many of them who were plying long-distance trades – to the Levant, the Caribbean and even the East Indies - although the damage may vary in each individual case. Probably the most devastating event was the loss of the Levant fleet which was a major blow to the nation's commercial pride and pocket. In May 1693, an Anglo-Dutch united trading fleet was bound to sail for the Levant under with naval protection. The fleet was intercepted by the French navy outside the Portuguese city of Lagos a month later. More than one hundred merchantmen were captured or destroyed by the French and more were sunk by their own crew to prevent them from falling into enemy hands. This fleet was said to be 'the richest that ever went for Turkey' with nearly 50,000 pieces of English cloth on board, and its destruction caused a total loss that amounted 'by a

282 LMA, CLA/002/02/01/2536.
283 TNA PROB 3/20/125.
284 Charles Molloy, *De Jure Maritimo et Navali, or, A Treatise of Affairs Maritime and of Commerce*, London: John Bellinger and John Walthoe, 1688, p.292.

moderate computation' to £600,000 to the Levant Company, which was a true disaster for the Company as its trade had already suffered severely since the War started.[285] Nathaniel Harley, who eventually spent 35 years of his life in the Company factory of Aleppo, expressed his absolute frustration in a letter to his father:

> The last misfortune of our ships is truly a great loss to the nation, but to the traders hither the greatest they or any other society of merchants ever felt at one blow. I cannot compute this factory's loss to be less than 250 or 300,000 crowns, which is no small matter among five or six and twenty persons. You cannot think me exempt from so general a calamity in which I have but too great a share, but possibly less than others who have lost not only the labour of ten or twelve years but are deprived also of all future hopes.[286]

This war attrition rendered both the merchants who were officially recognized as East India adventurers and those excluded from this lucrative trade who had great interests in the Mediterranean and the American trade vulnerable to the temptation of the new opportunity.

Therefore, it is not difficult to understand the contemporary perception of John Houghton, who probably also suffered some losses as he had stakes in the import from the New World, as to why joint stocks would be so popular among the London merchants who shared his misfortune or were striving to avoid similar fate:

> A great many stocks have arisen since this war with France; for trade being obstructed at sea, few that have money were willing it should lie idle, and a great many that wanted employment studied how to dispose of their money, that they might be able to command whensoever they had occasion, which they found they could more easily do in joint-stocks, than in laying out the same in lands, houses or commodities, these being more easily shifted from hand to hand.[287]

Consequently, joint stocks became increasingly popular during the last decade of the 17th century as they better answered the rising needs for investment opportunity of mercantile capital, regardless of whether it was surplus capital seeking for accretion or trading capital

[285] See Wood, *A History of the Levant Company*, p.111.
[286] *Manuscripts of His Grace The Duke of Portland,* Vol.II, London, 1893, p.244.
[287] John Houghton, *A Collection for Improvement of Husbandry and Trade*, 15th June 1694, No.98.

looking for less risky outlets after suffering losses caused by the hazards of the war. Apparently, a 'most usual' notion was trending in as early as 1681 that 'there is now as much money to be let on good Securities in England, as there are Securities, or rather more; from whence some infer that there is as much, or more money than ever in England'.[288] Therefore, it was quite understandable that when a treasure hunt in 1687 led by captain William Phips returned home carrying more £200,000 worth of salvaged Spanish treasure from Hispaniola, investors and speculators were so inspired to dedicate themselves to what was presumably first stock-market boom of London.[289] Among the seven backers of Phips's expedition, most of whom were of noble and gentle origins, there was a London merchant, John Smith, who keenly sought admission to the ranks after overhearing Phips discoursing on his project.[290] This demonstrates how eager the mercantile class of the City were when they detected an investment opportunity, and the fact that they were closely engaged with the stock-market boom from the very beginning. In addition to that, the list of backers also provided the name of a Sir James Hayes who was the personal secretary of Prince Rupert, the first governor of the Hudson's Bay Company, and himself the first deputy governor of the said company and its largest single shareholder, with a 20% stake.[291] The involvement of Sir James Hayes shows that although by the time William Phips set sail for the West Indies a number of joint-stock companies had already been established their capacity of accommodating idle capital was still far from meeting the needs of the high society. Motivated by Phips's astonishing success and the prospect of capital gains and the ease with which shares could be liquidated, the popularity of joint-stock rapidly increased among English investors and speculators. Scott estimated that around 100 joint-stock companies were in existence by 1695 including many wreck-recovery companies, and about 85% of them were newly formed after the Revolution which was shortly after Phips's expedition.[292]

An alternative view on this eruption of joint stock could also be taken by examining the patent boom of this period. Christine Macleod made the point that the English patent system during its early period was not infrequently exploited by individuals who were driven by a

[288] William Petyt, *Britannia Languens or a Discourse of Trade*, London: Tho. Dring and Sam. Crouch 1680, pp.231-232 .
[289] Cyrus H. Karraker, Spanish Treasure, Casual Revenue of the Crown, *The Journal of Modern History*, Vol.5, No.3 (Sep. 1933), p.307.
[290] Robert H. George, The Treasure Trove of William Phips, *The New England Quarterly,* Vol.6, No.2 (Jun., 1933), pp.298-299.
[291] HBC Heritage, http://www.hbcheritage.ca/people/builders/lords-proprietors (accessed 18th April, 2018)
[292] Scott, *The Constitution and Finance,* p.327.

variety of motivations other than pursuing technological progress.[293] In particular, Macleod inspected the spectacular outburst of patenting in the early 1690s, and suggested that 'the annual totals of patents in this period have no value whatsoever as an index of technical change', instead 'the patent system was subject to the same forces which played havoc with the embryonic Stock Exchange'.[294] Following the light of Macleod's analysis, the sudden surge of annual patents enrolled during the three years 1691-1693, as shown in figure 4.2, could potentially mark the peak of the joint-stock boom, which almost immediately preceded the founding of the Bank.

Year	No. of patents	Year	No. of patents	Year	No. of patents
1680	0	1690	3	1700	2
1681	6	1691	20	1701	1
1682	8	1692	23	1702	1
1683	7	1693	19	1703	0
1684	13	1694	11	1704	5
1685	5	1695	9	1705	1
1686	3	1696	5	1706	4
1687	6	1697	3	1707	3
1688	4	1698	7	1708	2
1689	1	1699	5	1709	3
Totals	53		105		22

Figure 4.1 Annual Total of Patents Enrolled, 1680-1709

Source: Christine MacLeod, *Inventing the Industrial Revolution: The English Patent System, 1660-1800*, Cambridge: Cambridge University Press, 1988, p.150

Although the heat of investment and speculation may have abated in the following years, the notion of joint stocks being decent assets with reasonable profitability, liquidity, and security was already established among both English mercantile class and common people. The passion would be ignited again when a similar circumstance presented itself during the Spanish Succession War. The South Sea Bubble of 1720 could potentially trace its origin to the joint-stock boom of the early 1690s. The experience of an adventurous London merchant with both financial ambition and capacity and his son, ready to follow his father's footsteps, provides a valuable footnote. Peter Joye, who had a sizable stake in the risky bottomry business as mentioned before, was one of the first subscribers of the Bank and a long-time shareholder of the East India Company whose stock holdings almost doubled during the

[293] Christine MacLeod, The 1690s Patent Boom: Invention or Stock-Jobbing? *The Economic History Review*, Vol.39, No.4 (Nov.,1986), p.555.
[294] Ibid, p.550.

1690s.[295] His firstborn and heir, Charles Joye, faithfully followed his example both in the Eastland trade and the interests in joint-stock investment. Unfortunately for Charles, the seemingly most attractive joint-stock organization of his time was the South Sea Company, of which he even managed to become deputy governor.[296] Obviously, Charles' financial adventure was much less successful than his father's. In order to avoid the expected confiscation of a large portion of Charles' estate, Peter Joye made a codicil to his will on 2nd January 1721 to transfer all Charles' legacies to his second son James who was instead named sole executor of the will thus significantly revising the original will made in 1718.[297] The case of Peter Joye and his son was but one of many stories of the London merchants who planned to emulate the investing strategy tested back in the 1690s on the South Sea projects. Needless to say, many young merchants who missed the first stock boom were also eager to commit to the new opportunity presented to their generation. The disastrous fate of these merchants and indeed anyone who had stakes in the South Sea Company showed the inherent flaw or contradiction of early modern joint-stock company as an organization, which will be further explored later in this chapter.

2. The foundation of the cooperation between the Crown and the Mercantile Community

Apart from joint stocks, based on continental experiences, offering loans to ruling princes was probably a more established practice in terms of investment. This practice was on the front line of the financial innovations induced by the Crown's fiscal needs in the late 17th century. A major characteristic of the credit relations between merchants and monarchs lay in its personal nature which means the risk of this business closely correlated with the personal credit of the monarch in question and participation was usually limited to an inner circle of merchants. When placed under the light of joint stock boom of 1690s, the Crown was about to face a new balance of commitment and rent-seeking with the introduction of the Bank.

Charles II's association with merchant creditors was vividly depicted by the Earl of Clarendon:

[295] List of Adventurers and Stock Account of the East India Company, BL IOR/H1, IOR/H/2.
[296] Oxford DNB, http://www.oxforddnb.com/view/10.1093/ref:odnb/9780198614128.001.0001/odnb-9780198614128-e-45548?rskey=fZeVLK&result=1 (accessed 22nd April, 2018)
[297] Joye v Joye, TNA C11/1994/23.

> The bankers did not consist of above the number of five or six men, some whereof were aldermen, and had been lord mayors of London, and all the rest were aldermen, or had fined for aldermen … having the king's own word and the faith of the treasurer, that they should be exactly complied with; for, let the security be what they could desire, it would still be in the power of the king or of the lord treasure to divert what was assigned to them … therefore there is nothing surer, than that the confidence in the king's justice, and the unquestionable reputation of the lord treasurer's honour and integrity, was the true foundation of that credit which supplied all his majesty's necessities and occasions ….[298]

Apparently, this contingent relation could hardly be counted as a satisfactory arrangement for the London mercantile community: very few were allowed to reap the benefit of being the king's creditors, and although the deal was in theory backed by the fiscal capacity of the state such promises were not exactly enforceable thus, to a certain extent, placing the merchants who were wealthy and prominent enough to be granted entrance at the mercy of their monarch's personal credit. On the other hand, the deal might not seem very appealing on the king's part either. Due to the potential hazards and the terrible examples set by his predecessors, Charles II was, on a regular basis, paying his bankers a surcharge of 4% on top of the legal interest rate of 6% making his loans more expensive.[299] Therefore, there was a dire need for a more acceptable arrangement for both parties which would entail minimum or predictable uncertainties and regulated procedures of enforcement. North and Weingast suggested that such an agreement was not reached until the Glorious Revolution.[300]

In the early 17th century, fiscal difficulties drove the Crown's government to act 'arbitrarily' and ended up with expropriation of wealth through redefinition of rights in the sovereign's favour, which was one of the driving forces leading to the English civil war. However, if path dependency is taken into account, Charles I's fate was probably already sealed by his predecessor. The early Stuart monarchs were not strangers to rescheduling and delays in payments on loans. When their needs for funds arose, a common practice to alleviate the pressures was issuing forced loans on letters of Privy Seal, and the payments on these loans were usually subject to manipulation by the Crown. The first of the Stuart forced loans was raised in 1604-5, yielded £111,891, and although it was eventually repaid, £20,362

[298] Edward Hyde, *The Life of Edward Earl of Clarendon, Volume 2*, Oxford: Oxford University Press, 1857, pp.218-220.
[299] Roseveare, *The Financial Revolution 1660-1760*, p.17.
[300] D. North & Weingast, Constitutions and Commitment, pp.803-832.

of this sum was still due as late as December 1609. After reaping the benefit of this 'financial innovation', James I issued another forced loan in 1611-2. This time, he raised a similar amount of £116,381, but as late as July 1618 the sum of £112,000 or nearly 96% of the principal remained to be repaid. Needless to say, due to the recognizable uncertainties entailed in these loans, their interest rates were set at 10%, a much higher level than the usual contemporary rates.[301] It is hardly surprising that the City often fell victim to the arbitrary yet regular borrowing of the Crown. In 1610, a very large loan of £100,000 was raised from the aldermen of London, but the government managed to turn this short-term debt which was supposed to be repaid in one year into a long one by persuading the lenders to concede two prolongations. Probably the best example of this technique of exploiting the City for funds by the repeated prolongation of maturing obligations is the loan of £96,466.13s.4d which was raised through the Corporation of London in 1617. This loan was not repaid until 1628. Charles I had to convey royal lands to the trustees of the Corporation as security and unilaterally lowered the interest rate to 8% from 10%.[302] Therefore, it is not difficult to imagine how Charles I would react when his government was in dire need of financial aid from his subjects, and why his behaviours during the years preceding the Civil War would escalate the tensions between the Crown and the City. It could also be concluded that Charles II's less satisfactory relations with the bankers especially those from the City was simply an expected continuation following the examples set by his father and grandfather.

According to North and Weingast, the aforementioned situation was abated by the Glorious Revolution which introduced a new balance of power that could be summed up by Erskine May as 'The Crown demands money, the Commons grants, and the Lords assent to the grant'.[303] Furthermore, this system also prevented the Parliament from acting arbitrarily just like a king, which gave birth to a 'responsible government' with parliamentary supremacy under which an impersonal capital market can be created.

> Higher costs due to uncertainty and growing private returns reduced industry demands for regulation and control in England. All this strengthened the emergent constitutional democracy, which created conditions making rent-seeking activity on the part of both monarch and merchants more costly. When the locus of power to rent-

[301] Robert Ashton, *The Crown and the Money Market, 1603-1640*, Oxford: Clarendon Press, 1960, pp.35-36.
[302] Ibid, p.36.
[303] Erskine May, *A Treatise upon the Law, Privileges, Proceedings and Usage of Parliament,* London: Charles Knight, 1844, p.324.

seeking shifted from the monarch to Parliament… the costs of supply of regulation through legislative enactment rose.[304]

Bruce Carruthers also praised the Glorious Revolution as a turning point not only for the private capital market but also for the rise of the English state which may have impacted the enterprise of empire-building in the long run:

> In 1672, there was no stock market in London, and England was a weak nation-state and a second-rate military power. In 1712, only forty years later, the shares of many joint-stock companies were traded on an active and highly organized capital market that had emerged in London. Furthermore, Great Britain had become one of the major military powers in Europe.[305]

Indeed, 1688 may have laid the foundation for the financial revolution, but the endeavour of attracting loans to the Exchequer from the general public with parliamentary guarantees of prompt repayment with interest was already made two decades before the glorious year. Sir George Downing made a proposal in 1665 which was devised to break the bankers' monopoly and directly borrow from the public. The scheme was set in motion and returned with a decent success by raising nearly £200,000 at only 6% from about 900 subscribers country-wide and putting into circulation over 1,000 treasury securities.[306] Sir George Downing's scheme was presumably the first attempt that was put into practice to establish a national bank, but it was the spirit of his approach that really marked out his scheme and set the example for the foundation of the Bank three decades later. Downing's strategy was making the greatest effort to eliminate the transaction costs in raising public funds by reducing uncertainties, which could not be better described than his own words as recorded by Earl of Clarendon:

> that this [would be an] encouragement to lend money, by making the payment with interest so certain and fixed, that there could be [no] security in the kingdom like it, when it should be out of any man's power to cause any money that should be lent to morrow to be paid before that which was lent yesterday, but that all should be infallibly

[304] Ekelund & Tollison, *Mercantilism as a Rent-Seeking Society*, p.149.
[305] Bruce Carruthers, *City of Capital,* p.8.
[306] Henry Roserveare, The Advancement of the King's Credit, 1660-1672, unpublished Cambridge University Ph.D. thesis, 1962.

paid in order; by which the exchequer (which was now bankrupt and without any credit) would be quickly in that reputation, that all men would deposit their money there; and that he hoped in few years, by observing the method he now proposed, he would make his exchequer the best and the greatest bank in Europe, and where all Europe would, when it was once understood, pay in their money for the certain profit it would yield, and the indubitable certainty that they should receive their money.[307]

However, the contradiction between Downing's ideal and the reality is not difficult to identify: as long as the Sovereign and his or her government is retained the authority to unilaterally redefine their rights over their creditors, there would be no guarantee for the lenders that the interest rates or the date of the repayment would be fixed. Prior to the Glorious Revolution, the mercantile class heavily relied on the political authority of the Crown to realize their monopolistic ambition in overseas trading adventures as pure economic barriers to entry were often not enough to keep potential competitors at bay (in the trades to some regions, this persisted to later ages). Therefore, as shown by Robert Brenner, merchant involvement in joint-stock companies was influenced by the roles they played in national politics and 'the key to the London merchants' politics in the later sixteenth and early seventeenth centuries was to be found in the nature of their relationship with the royal government'.[308] Although Brenner mainly used the term 'politically constituted forms of private property' to describe the extra-economic rights exerted by landlords, this idea could presumably be extended to the monopolistic privileges enjoyed by merchants through their bargains with the Crown to satisfy the fiscal needs of the Crown's government. Carruthers also fully recognized the contingent nature of the privileges enjoyed by joint-stock companies including the Bank of England – what the King gives, the King can also take away – which made their relationship with the crown 'a crucial but problematic one of mutual dependence'.[309] Probably, the key to the financial revolution in the late 17th century was making the relationship of merchants and their joint-stock companies with the Crown's government less contingent or more impersonal through public joint stock – a process that required constitutional protection. This process was eventually realized in a model organization participated in by both the Crown and the mercantile community and more.

307 Edward Hyde, *The Life of Edward Earl of Clarendon, Volume 2*, Oxford: Oxford University Press, 1857, pp.221-222.
308 Robert Brenner, *Merchants and Revolution: Commercial Change, Political Conflict, and London's Overseas Traders, 1550-1653*, London: Verso, 2003, p.199.
309 Bruce Carruthers, *City of Capital,* p.138.

3. Mercantile Involvement in the Original Subscription

To assess the involvement of the London mercantile community in the foundation of the Bank of England, it is necessary to study the social-economic status of the original subscribers who directly participated in the raising of the £1,200,000 loan. With a limited number of exceptions, occupation or social status was listed in the stock ledger of the original subscription which could be used to group and identify shareholders.[310] However, it should be kept in mind that the use of such information is not without some problems, although these problems could demonstrate some characteristics of the mercantile involvement. Firstly, although the majority of the 1,520 entries in the original subscription ledger had the investors' social-economic status recorded, 197 entries lacked such labels. Despite this, some of these individuals' occupations and social status could still be identified. Some were left blank in this field because the investors in question made multiple entries and the information was already given in other entries. Sir Henry Furnese, a major shareholder and one of the original directors of the Bank, made three entries in the subscription, two of which had recorded his status as 'Knight' with another one left blank.[311] Some could be at least partially identified by their titles entered along with their surnames such as Sir, Lord, Doctor, Colonel, etc. Many investors without their occupation or status recorded were female who were neither spinsters or widows or otherwise specified. Their surnames or those of the agents they trusted to make the subscriptions on their behalf could be checked against the database. Many of these female investors could be considered an organic component of mercantile involvement as they were usually members of established mercantile houses investing on their own behalf or managing the estates of their underaged children. Susan Whyman observed after studying the Verney family, a London mercantile house active in the last decades of the 17th century, that women who were more exposed to the new financial developments would exploit these opportunities by investing in the new forms of non-landed assets to pay for 'clothes, maids, and sheer survival'.[312] If intermarriage between different families is taken into account, these entries for female investors could imply a bigger and more intricate web of mercantile connections. One Lady Catherine Gore entered the ledger by her agent Charles Gore.[313] Although the repetitive naming habits and the lack of additional information to the entry

[310] Index to Original Subscribers to Bank Stock 1694, Bank of England Archive, 10A285/1.
[311] Bank of England Archive, 10A285/1, p.14.
[312] Susan E. Whyman, Land and Trade Revisited: The Case of John Verney, London Merchant and Baronet, 1660-1720, *The London Journal*, 22:1, 1997, p.25.
[313] Ibid, p.15.

making it impossible to identify this Lady Catherine with absolute certainty, it can still be claimed with some confidence that she belonged to the family of Sir William Gore. In fact, many female members from the extended families of London merchants entered their names in the subscription book usually with the help of their male relatives as agents. Besides the Catherine Gore, a Lady Jane Lethieullier could also be identified. There were five entries under her name, two subscriptions which totalled £3,000 that nominated herself as the shareholder, the rest (all subscribed £500 which made her contribution to the loan amount to £4,500) were in trust for her children.[314] Based on the names of her children and the fact that all of these five entries were made by her agent, a Peter Du Cane, it is safe to presume that Lady Jane Lethieullier was indeed the Jeanne Du Cane who married Sir Christopher Lethieullier as discussed in the previous chapter. Given her family background and the fact that her brother-in-law Samuel Lethieullier also happened to be one of the first directors of the Bank could probably explain why Lady Lethieullier had the means or passion to invest in a burgeoning joint-stock scheme.[315]The interests shown by the merchants' wives, daughters and sisters is a clear indication of these merchants' positive perception of the idea of founding a central Bank. In addition to that, if it should prove that the investors designated as 'spinsters' were in fact some merchants' unmarried daughters, this would strengthen the argument that women, especially from mercantile families, were by no means an insignificant force in this great financial innovation.

Secondly, some merchants preferred to enter their social status such as Esquire and Gentleman instead of their mercantile occupation making it more difficult to discern their real trade. Six male members of the Gore family were listed in the original subscription. Their combined contribution to the loan amounted to the sum of £10,600, but none of them entered their occupation as 'merchant'.[316] Another William Gore, presumably the eldest son of Sir William Gore, trusted the latter to subscribe a recognizable sum of £2,000 but labelled himself as 'Esquire'.[317] A John Gore who was very likely to be Sir William Gore's second son subscribed a sum of £1,000 and entered his occupation as 'Gentleman'.[318] In the previous chapter, it has already been established that both William and John were active merchants by 1694, and William even succeeded his father's directorship for the Bank. In fact, it has been

314 Ibid, pp.23-24.
315 There are four entries under the name Samuel Lethieullier, all worth £500, but the occupation records were not consistent. Three of them were recorded as merchant whereas one as Esquire. Therefore, it is not perfectly clear if all these entries belonged to a same individual.
316 Ibid, pp.15-16.
317 Ibid, p.16.
318 Ibid, p.15.

argued that the title 'gentleman' was beginning to lose its traditional implication of gentle birth and idle living, and increasingly being used by professional men and wealthy merchants.[319] It should be henceforth noted that instead of being accurate representations of the investors' occupations, the groups presented by the stock ledger demonstrate how they viewed themselves in terms of social status.

Despite all the ambiguities regarding how the investors entered their social economic status, out of 1520 individual entries, 201 identified themselves as merchants, making this the largest social economic group followed by Esquire (190) and Gentleman (168). In terms of investment, the Merchant group subscribed £245,800 or roughly 20.48% of the total £1.2 million subscription. This amount, although it far surpassed the Gentlemen group (£82,600 or 6.88%), still fell behind the Esquire group which had a collective subscription of £303,400, or approximately 25.28% of the total sum.[320] However, the discrepancy between the collective investment of merchants and esquires should not be taken at face value owing to the aforementioned ambiguities. As emphasized by writers such as Steve Pincus, the political struggle under the Stuart monarchy created a considerable fissure in the moneyed and landed station that sparked rivalry between major trading companies.[321] As a result, after the Revolution, Tory merchants may have been reluctant to dedicate their wealth to the new financial projects led by their political opponents, and the Bank of England during its first years was considered a largely Whig organization.[322] Indeed, it has been suggested that partisan preference was instrumental in consolidating the credibility of the government and hence guaranteeing the success of the financial revolution, and 'the ultimate outcome for government commitment would have been very different if the Tory party, rather than the Whigs, had established a lasting supremacy'.[323]

Furthermore, regarding their places of residence, although the majority of investors were from London and its surrounding regions, the geographical distribution across different groups still presents a special feature of the merchant investors. Out of the 201 merchants who invested in the Bank of England in 1694, 185 (92%) lived in the square mile. This percentage is far higher than the Esquire and Gentlemen groups: only 36 esquires resided within the City walls and the number of gentlemen was 46.[324] Although certain groups such

[319] Murphy, *The Origins of English Financial Markets*, p.141.
[320] Bank of England Archive, 10A285/1.
[321] Steve Pincus, *1688: The First Modern Revolution*, New Haven: Yale University Press, 2009, pp.372-73.
[322] Steve Pincus & Alice Wolfram, '*A Proactive State? The Land Bank, Investment and Party Politics in the 1690s*', in Perry Gauci (ed.), *Regulating the British Economy, 1660-1850*, London: Routledge, 2016.
[323] David Stasavage, Partisan Politics and Public Debt: the Importance of the 'Whig Supremacy' for Britain's Financial Revolution, *European Review of Economic History*, Vol.11, Issue 1, (April, 2007), pp.123-153.
[324] Bank of England Archive, 10A285/1.

as haberdashers, drapers, and mercers also tended to live in the City proper, these labels imply their possible connections with the City livery companies, which means those who so identified themselves were likely London citizens in the first place. On the other hand, 'merchant' was a much less guild-related profession in the subscription list and the fact that most merchant investors lived in the City not only demonstrated that London was an important hub for mercantile capital in the Kingdom, more importantly, it also displayed the exceptional involvement of the London merchant community in the founding of the Bank.

Probably the most important feature of the Bank of England is that it was not founded as a *sui generis* organization, instead, it was an organic component of the overall structural transformation induced by the financial revolution. This can be seen from the following graph provided by Aske Brock that displays the networks of the directors of major trading companies in 1698.

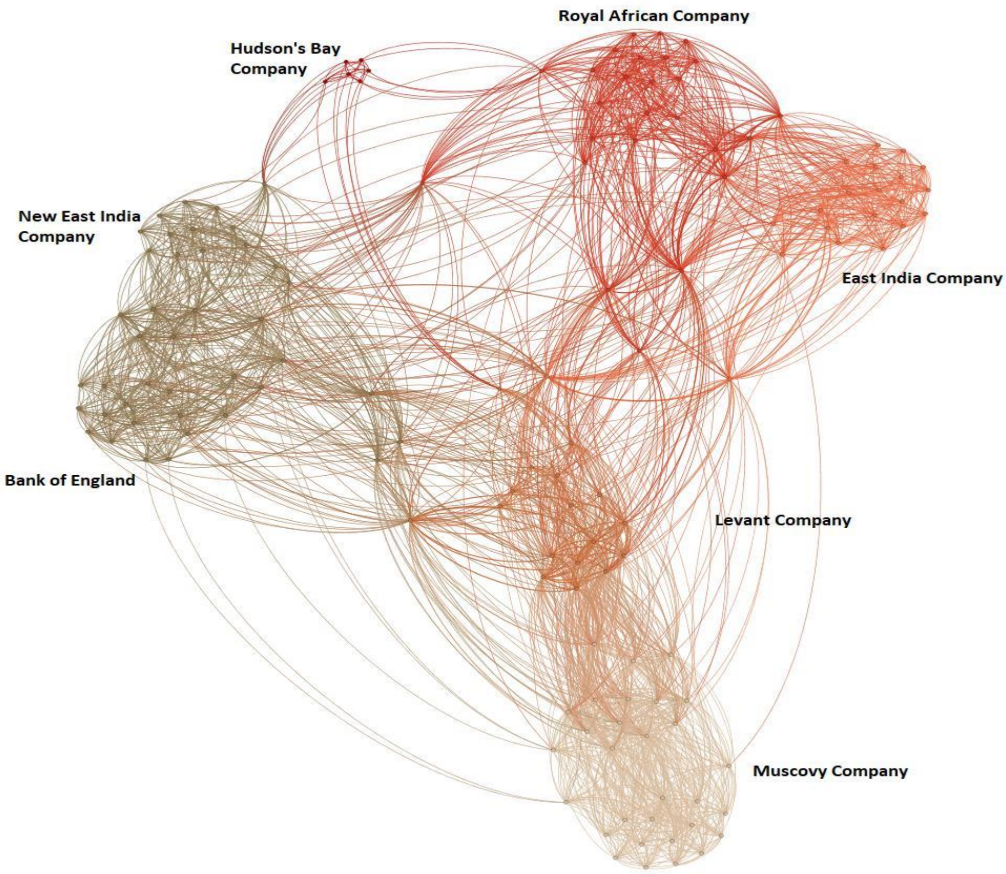

Figure 4.2 The Network of Company Directors, 1698

Source: Aske Brock, *Company Director's Social Networks: Economic Change and Continuity during the 17th Century*, EHS conference paper, 2018

It is not difficult to see that the directors of the Bank were sitting in a rather intricate web of mercantile network: they were either closely connected with the directors of other trading companies or they themselves were taking those positions. However, it should be pointed out that in comparison to the director network between 1677-1681, what we have at the end of the century is a more impersonalized one as the density of the network had decreased from 0.335 to 0.225. And instead of relationships that more of a personal nature such as kinship, the 1698 network was more sustained by the business or membership connections provided by a number of key individuals like Sir William Gore.[325] It is important to look into the mercantile network of the Bank directors, because it shows that the managers and the decision makers of the new joint stock organization, which was founded first and foremost to satisfy the fiscal needs of the Crown, were themselves well-connected members of the English mercantile community. Even after the subscription of the Bank, contemporaries were still concerned of the prospects of having a potential national bank in England. In a letter to Parliament, an anonymous writer argued that the Bank could easily be appropriated by the monarch: 'an ill King, and one that is ambitious of being Despotical, may easily introduce his own Creatures to be the Chief managers of the Bank, by furnishing them with Mony out of the Exchequer to out-bid all others in purchasing of *Shares*…'; and that since this new joint stock operation was not in its own right a trading organization, 'Trade must unavoidably be ruined, by the drawing so much *Money* out of it, as this Corporation occasioneth the doing of, so it must be extremely prejudicial to Trade, that Men's Minds are diverted from thoughtfulness about it, and taken off from Contriving how to conduct, and manage it to Advantage…'.[326] Given the unpleasant history between the Stuart monarchs and their creditors discussed in the previous section these concerns and criticism are probably well justified. However, as Brock pointed out after investigating the business and connections of the directors of the Bank in its early years, 'the directors and their standing within the overall commercial community and director community served as guarantees for the Bank'.[327]

Many historians and economists, such as Sheilagh Ogilvie, A. W. Carus, and David Stasavage, may disagree on the extent to which North and Weingast's claim that constitutional factors provided essential constraints governing the public choice during the

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[325] Ibid.

[326] Anon, *Some Considerations Offered against the Continuance of the Bank of England in a Letter to a Member of the Present Parliament*, London: [s. n.], 1694, p.2.

[327] Aske Brock, *The Company Director: Commerce, State, and Society*, unpublished PhD thesis, University of Kent, 2016, p.295.

financial revolution really captured the underlining force of that event.[328] However, it is probably safe to suggest that the foundation of the Bank of England demonstrated a two-fold implication: joint stock helped de-personalize the credit relationship between the Crown and its financiers; and it also established an impersonalized mercantile network which might prove to benefit not only the fiscal condition of the government but also the financial gains of the mercantile community. In addition, it can also be seen from figure 4.1 that the directors of the Bank were significantly more connected with the directors of the new East India Company, which implies that whereas these two organizations were leading the tide of structural transformation during the financial innovations, they were led by largely the same group of individuals. The founding of the New East India Company and the reorganization of the old Company will be examined in the next section.

III. The East India Company

The 1690s was a decade in which the momentum of commercial expansion was temporarily interrupted by the hazards of trading during a war of unprecedented scale for the English nation. However, as De Krey claimed 'Far from discouraging the enterprising spirit of the London mercantile community, however, the war of William's reign accelerated the modernization of City trade'.[329] De Krey's assertion was based on the fact that before the dawn of the next century, the monopolies of a number of chartered organizations including the East India Company, the Royal African Company, the Muscovy Company and the Hudson's Bay Company had either been eliminated or irreversibly weakened by active overseas traders who had long been disgruntled by their monopolistic practice. These four organizations are all, by the nature of their financial and administrative structures, joint-stock companies. And as joint-stock companies, the story of their monopolistic practices and the erosion of these privileges during the last decade of the 17th century is in need of special treatment and interpretation. In this latter section of the chapter, the East India Company at this juncture of change will be revisited by examining the involvement of the London mercantile community in the continuous attacks on its trading but more importantly its stock managing strategies and the ensuing founding of its parallel and rival.

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[328] Sheilagh Ogilvie & A. W. Carus, 'Institutions and Economic Growth in Historical Perspective', in Philippe Aghion & Steven Durlauf (eds.), *Handbook of Economic Growth*, Elsevier, 2014, pp.403-513.
David Stasavage, Credible Commitment in Early Modern Europe: North and Weingast Revisited, *Journal of Law, Economics, & Organization*, Vol.18, No.1 (April, 2002), pp.155-186.
[329] Krey, *A Fractured Society*, p.128.

Unlike the Bank of England which was an novel introduction for this period (although the idea of a state sponsored national bank the stock shares of which are open to purchase by the public, was long familiar to City merchants), the East India Company, or the 'Governor and Company of Merchants of London trading into the East Indies' as it was officially known, was already a well-organized joint-stock company which received its first charter nearly a century before the War of the Grand Alliance. As one of the first joint-stock companies this Kingdom had ever seen, probably the most striking feature of the East India Company is that it was imbued with impersonalization of capital, as Chaudhuri put it: 'the most powerful and revolutionary impact of the companies lay in the public acceptance of the notion that the corporate financial liabilities were someone else's assets'.[330] However, it was soon realized that the East India Company did not fully utilize its advantage of being a joint-stock company which entitled it to transfer its corporate financial liabilities to the public. By the late 17th century, the Company was under frequent attack on at least two subjects: its monopolistic control over English trade with all countries east of the Cape of Good Hope and west of the Straits of Magellan;[331] and the protected market in its stock shares, which made it virtually closed to the public. A natural question to ask is: which one of these was the major driving force that eventually led to the founding of the New Company, or were they equally important in this matter?

As discussed in Chapter 2, after studying the port books that recorded the export of Old Draperies by denizens, a clear sign of specialization by trading areas arises. Most of the merchants in the database overwhelmingly concentrated their exports in one region or even in certain particular ports of the said region. As D. W. Jones suggested, 'although they [London merchants] would have had the necessary connections abroad generated by the requirements of their trade, they were unlikely to have possessed the requisite market expertise to make a major switch to a different trade.'[332] Considering the higher risks induced by the substantially longer distance of the travel to the East in comparison to the more comfortable voyages already familiar to the merchants who were accustomed to trading with Near Europe or the Levant, the majority of the Old Draperies exporters in the database were less likely to contemplate a major diversion of their working capital to the East India trade. Therefore, the joint-stock model became particularly attractive to the more ambitious members of the London mercantile community who although traditionally dealt with the trade to Europe and

[330] K. N. Chaudhuri, *Trade and Civilization in the Indian Ocean: An Economic History from the Rise of Islam to 1750*, Cambridge: Cambridge University Press, 1985, p.95.
[331] IOR A/1/2 The Original Charter of the East India Company.
[332] D. W. Jones, *War and Economy*, p.260.

the Levant now planned to expand their horizons in a new and more distant market, because in such a model, they only needed to commit their capital thus circumvent the disadvantages and uncertainties induced by the lack of specialization and the intrinsic risks of this long distant trade.

Furthermore, it is problematic to consider the Levant merchants and those who mainly traded with the Low Countries and the Eastland as a single group with common interests for at least one reason. The War of the Grand Alliance had different influences on the different fronts of English overseas trade. The Southern trade including the trade to the Levant, Mediterranean and Iberia suffered far greater losses than the Near European or Northern trade (beyond the Sound), while the Wine import from Biscayan France was hit the hardest.[333] Therefore, it seems reasonable to expect a more direct attack on the monopoly of the East India Company from the Levant merchants. Indeed, the rivalry of the East India Company and the Levant Company was already evident in the 1680s. The Levant Company petitioned the King, challenging the East India Company's monopoly and the restricted share capital.[334] In spite of this, it should be noted that the attack from the Levant Company was mainly based on the ground that their business suffered from competition from the EIC as both of them imported similar goods from the East, and as a regulated company itself the Levant Company also admitted that some kind of monopoly was required.[335] On another occasion, the Levant Company publicly accused the East India Company of borrowing by bonds at interest instead of enlarging its stocks.[336] All these cases showed that in the 1680s although the Levant merchants were resentful of the EIC, they were not particularly interested in venturing to the East themselves and it seemed that they were more concerned with the stock policy of their rival. This is vividly shown by a Turkey merchant who in 1684 made a passionate attack on the EIC and appealed for the constitution of a new company with a larger stock by writing a thesis listing a total number of 18 arguments. The identity of the merchant in question remains unknown, although since the document was in the Mellish family collection, and given the trading expertise of the family members, the author would most likely be Edward Mellish, an unmarried merchant who left his estates to his cousin's son and Sir William

[333] D. W. Jones, *War and Economy*, p.129.
[334] Chaudhuri & Israel, '*The English and Dutch East India Companies and the Glorious Revolution of 1688-9*', in Jonathan Israel (ed.), *The Anglo-Dutch Moment: Essays on the Glorious Revolution and its World Impact*, Cambridge: Cambridge University Press, 1991, p.433.
[335] Wood, *A History of the Levant Company*, p.104.
[336] Shafaat Ahmad Khan, *The East India Trade in the 17th century, in its Political and Economic Aspects*, London: Oxford University Press, 1923, p.172.

Gore's son-in-law Joseph Mellish, or his close colleague. The first argument presented by the writer was a blunt attack on the restricted stocks market of the EIC:

> Because though this trade be now increased to be above one quarter of the trade of this nation yet it doth now support or entertaine as adventurers or proprietors more persons than it did. When the company is first settled, though the trade was not then one tenth part so much, for the stock not being increased by new subscriptions proportionable to the trade but continuing the same £375,000 as at first upon which all sales and dividends are made, the adventurers instead of being increased from 900 they were at first to 9,000 as the increase of the trade requires are reduced to 550 persons.[337]

This stance would need to be adjusted as the War progressed in the 1690s. After suffering heavy losses, the Levant merchants petitioned the Crown against the monopoly of the East India Company in 1693. This time their attack was more serious, and they even made a dedicated plan for a possible expedition should the petition be granted, which can be seen in a report filed by Sir John Somers, the Lord Keeper, to the King concerning the renewal of the charter of the EIC:

> …the sole trade of the Indies cannot be granted to a few of your subjects exclusive of all the rest; and most of the Turkey merchants … press very importunately that in such an unhappy juncture, when they are deprived of the Mediterranean trade and are such losers everywhere, the Queen would not exclude them from the trade of so great a part of the world. At the same time they press by petition to be permitted to send out five ships to the Indies, undertaking to export in those ships to the value of above £100,000 in cloth and other English commodities, and they likewise urge in this petition that, by law, they cannot be hindered.[338]

After their petition was overruled, however, most of the conflicts between the Levant Company and the EIC once again revolved around competition, and more specifically for this time the competition over trade to Persia as the EIC decided to push the sale of their cloth

337 Nottingham University Library, Me X 1/1.
338 'William and Mary: September 1693', in Calendar of State Papers Domestic: William and Mary, 1693, William John Hardy (ed.), London: His Majesty's Stationery Office, 1903, p.324.

export in the region.[339] Therefore, when a group of East India interlopers petitioned the Parliament for the establishment of a regulated company for the trade to the East Indies following the model of the Levant Company: 'by an Ambassador at the court of the great Mogul, and consuls at the chief ports', only one of the 23 petitioners could be firmly identified as Turkey merchant.[340] This may demonstrate the lack of interests of the Levant merchants in venturing into the Indian market with both their capital and skills as required by the regulated model.

The second issue with which the East India Company was under consistent attack was its highly protected stock policies. It had already been discussed above that the stock market of London was experiencing a phenomenal boom in the early 1690s. However, it did not take too much effort to realize that by this time the shareholdings of the East India Company were controlled by a small group of individuals who were very protective of their vested interest and, as one might expect, extremely reluctant to grant access to the EIC stock trading to outsiders. The following table shows that the numbers of EIC shareholders during the peak years of the stock boom of 1691-1693 were even smaller than that in the 1670s, in spite of the doubling of the Company's paid-up capital. In addition, a clear tendency had shown itself in which the stocks were becoming concentrated in the hands of a group of larger investors at the expense of the population of small and medium ones. The picture is even more strikingly clear if the investors at the very top are taken into consideration. There were eight persons whose holdings exceeded £10,000 in 1691 and their combined holdings accounted for slightly over a quarter (26.4%) of the whole stock, whereas in 1693 nine persons fell into this category with their combined holdings accounting for almost a third (32.46%) of the whole stock.[341] It should be noted though that in 1682 the company doubled its capital considered paid up by making a dividend in stock of 100% in addition to the distribution of 50% which means each adventurer who had previously owned £100 stock with £50 paid, was entitled to dividends as if payment had been made in full.[342] This arrangement artificially increased the number of persons whose holdings are reckoned large because all those who had £1,000 worth of stock were now credited with £2,000. But this did not change the picture of

[339] Sir Joseph Child, the governor of the EIC, declared that the Turkey merchants 'who had assaulted and battered perpetually at the Company were to be completely displaced from their privileged position in Turkey in regard to the silk trade, and their place to be taken by the East India Company.' See Wood, *A History of the Levant Company*, pp.115-117.
[340] *The Manuscripts of the House of Lords 1695-1697*, Vol.2, New Series, London (1903), pp.32-33.
[341] It was Sir Josiah Child (£51,150), Sir Thomas Cooke (£40,850), Sir James Edwards deceased (£15,500), Sir Joseph Hearne (£12,938. 6s. 8d.), Richard Hutchinson (£13,950), Sir William Langhorne (£18,200), Sir John Moore (£25,009.10s) and Sir Jeremy Sambrooke (£17,750) in 1691; and Sir Josiah Child (£51,150), Sir Thomas Cooke (£68150), Adrian Consteney (£22,775), John Du Bois (£10,750), Richard Hutchinson (£14,550), Sir William Langhorne (£18,000), Sir John Moore (£22,609), Sir Peter Parravicine (£14,400) and Sir Jeremy Sambrooke (£17,750) in 1693. IOR/H/1.
[342] Scott, *The Constitution and Finance,* p.145.

concentrating EIC stocks indicated by the table as before the doubling, in 1675, 55.2% of the stock was owned by persons holding £1,000 or more, while in 1691, 70% of the stock was owned by persons holding £2,000 or more.[343]

Size of holding	No. of holdings	Stock held April 1675	Percentage of total stock
£300 and under	26	£43,135	11.7
£301 to £1,999	291	£209,625	56.7
£2000 and over	30	£117,131	31.6
	547	£369,891	100.0
Size of holding	**No. of holdings**	**Stock held April 1691**	**Percentage of total stock**
£300 and under	143	£25,513	3.4
£301 to £1,999	230	£197,430	26.6
£2000 and over	94	£516,839	70.0
	467	£739,782	100.0
Size of holding	**No. of holdings**	**Stock held April 1693**	**Percentage of total stock**
£300 and under	153	£27.464	3.8
£301 to £1,999	212	£175,425	23.8
£2000 and over	84	£536,893	72.4
	449	£739,782	100.0

Figure 4.3 The Structure of Stock Holdings in 1675, 1691 and 1693

Source: K. Davies, Joint-Stock Investment, p.296

As one might expect, the Company tried its best to defend itself against these attacks. In 1677, Thomas Papillon who sat in the committee and later assumed the position of deputy governor, fiercely defended the practice of his organization:

> …now it is in a company and joint-stock, Noblemen, Clergymen, Gentlemen, Widow, Orphans, Shop-keepers, and all others, may have stocks there, and reap equal benefit thereby. There are at this day about Six hundred persons which appear on the

[343] K. G. Davies, Joint-Stock Investment in the Later Seventeenth Century, *The Economic History Review*, New Series, Vol.4, No.3 (1952), p.296.

Companies Books to be Interested in the East India Stock … What should be the reason, that the East-India-Company hath so many enemies, and is so much talked against almost amongst all sorts of men? Is it because some persons that would not subscribe at the beginning of the stock, nor yet afterwards, when the books were laid open, are filled with Envy at the Companies prosperity, and would ruine all, because they are excluded by their own default? There may be much in this, and yet any that will, may buy Stock, according to the Market-price when they please.[344]

Indeed, Peter Loughead's study has shown that the trading in the Company stock was by no means non-existent, and transaction activity even experienced a distinct growth between 1661 and 1689, especially in the 1680s when trading activity expanded substantially as did the value of shares traded:

Years	Average Number of Transactions	Total Value (nearest £100)	Average Value of Each Transaction (nearest £10)
1661-63	44	18,900	430
1664-66	57	23,900	420
1667-69	71	32,100	450
1670-72	126	47,000	370
1673-75	152	53,800	350
1676-78	131	55,400	420
1679-81	172	68,100	400
1682-84	780	286,300	370
1685-87	537	191,000	360
1688-89	655	238,000	360

Figure 4.4 Transactions in East India Company Shares, 1661-1689

Source: Peter Loughead, *The East India Company in English Domestic Politics, 1657-1688*, unpublished PhD dissertation, Oxford University, 1980.

[344] Thomas Papillon, *The East India Trade: a Most Profitable Trade to the Kingdom and Best Secured and Improved in a Company and a Joint-Stock,* London: [s.n.], 1677, pp.25-26.

However, the open market for East India Company stocks depicted by Papillon is merely an illusion, and the rising transaction activity is highly deceptive. Although there was a high stock turnover, a majority of the transactions took place amongst and between existing stockholders, and some particularly prominent jobbers could be identified. For instance, in 1693 when £366,822 worth of stock changed hands, 77% of all purchases were made by parties who had also sold, and the situation for outsiders could have been even worse as some of the rest of the 23% purchasers could have been also sellers in the preceding period.[345] It should be pointed out though, that this phenomenon could be considered a demonstration of the perks enjoyed by the members of the Company. Being an East Indian adventurer not only produced the exclusive opportunity for impersonally participating in one of the most lucrative trades of the time, it also meant that one could enjoy a much-protected jobbing market that allowed a relatively less risky approach to stock speculation.

Since so many stocks were exchanged between existing stockholders and so many stock traders were buying and selling at the same time, it is reasonable to presume that what drove the seemingly prosperous EIC stock market in the late 17th century was speculation rather than a flood of new investors. Therefore, the trading of EIC stock was still a playground for the inner circle, and neither the benefit of stock jobbing nor the spectacular dividends, which was kept at 25% during the 1680s and in 1689 reached 50%, could be enjoyed by aspirant outsiders.[346]

Therefore, it is hardly surprising that in 1684 when the trading of company stocks reached its peak in this period as shown by figure 4.3, the anonymous writer mentioned above presented the following contemporary perception as one of the reasons why the East India Company should open its book or a new company with larger stocks should be established:

> Without new subscriptions there can be no way of coming into this trade under this charter but by buying shares in the stock of the present adventurers which is to reduce the liberty and freedome which hath always beene approved for admission into trade, to the same difficulty as to attaine the possession of lands for one man cannot buy any stock unless another will sell, nor unless the buyer will give the price demanded and experience hath discovered that it is so seldome any stock offered to be sold, that it can

[345] D. W. Jones, *War and Economy*, p.288.
[346] The dividends for EIC stocks were recorded in the committee records of court minutes books of the Company. For the minutes of the 1680s, see BL IOR/B/35-39; for the dividends of 1689 in particular, see IOR/B/39, folio 226.

> no way answer the objections made against the present company for those who have the greatest stocks instead of selling accumulate more, and it is only some small sums by chance escape their lands, but if there were more to be sold it would but exchange the interest of A B for C D and no way but subservient to the bringing in of more people or stock into the trade….[347]

Consequently, it was by no means unpredictable that the East India Company would be forced to submit to the appeal of its opponents when an apparently organized campaign was waged against it by a group of merchants. This syndicate was led by the same Thomas Papillon who had passionately defended the Company only about a decade earlier. Papillon was very disappointed at the shift of political standing of the Company under the leadership of Sir Josiah Child when the latter decided to cultivate an alliance with James II, and their conflicts resulted in the expulsion of Papillon and a number of shareholders who shared his political ideology.[348]

The anti-East India Company camp was also joined by East India interlopers, many of whom were prominent London merchants but excluded from the inner circle thanks to the Company regulations and restrictions. These merchants, given the opportunity, would dedicate themselves and their wealth to the new attempt to reform the Company, and play an important role in the future conflict between the New Company and the Old and their eventual merger. Nathaniel Gould, a merchant in our sample, was one of them. According to Parliamentary records, Nathaniel Gould was active in petitioning against the regulation of the East India Company in the December 1695 and January 1696.[349] The Goulds had no doubt played their parts on behalf of the East India interlopers in the campaign against the regulation and monopoly of the Old Company, as 'the future of the East India trade was, for the first time in the reign, a topic in the King's Speech on 23 November 1695 at the opening of his third parliament.'[350] When the New East India Company was finally on the eve of being granted a charter in exchange for a £2,000,000 loan to the government, the Gould brothers contributed £21,500 to the flotation. If we also consider Gould's partner and

[347] *Reasons for the Determination of the Present East India Company and for the Constituting a New One with a Larger Joint Stock*, Nottingham Library, Me X 1/1.
[348] William Letwin, *The Origins of Scientific Economics: English Economic Thought 1660-1776*, London: Methuen, 1963, pp.21-24.
[349] Paula Watson & Sonya Wynne, Nathaniel Gould, History of Parliament Online, https://www.historyofparliamentonline.org/volume/1690-1715/member/gould-nathaniel-1661-1728#footnote2_5b7uipu, (accessed 19th September, 2019)
[350] Henry Horwitz, The East India Trade, the Politicians, and the Constitution: 1689-1702, *Journal of British Studies*, Vol.17, No.2 (Spring, 1978), p.8.

connections in the Baltic trade, their family group had the seventh largest holding of New Company stock. As one of the original directors of the New Company, Nathaniel was propelled into politics, standing for Parliament in the general election of 1700-1701 in the continuance of the power struggle between the Old East India Company and the New. [351] He won the seat for the constituency of New Shoreham, although not without serious and expected competition from his opponents, and kept the seat until 1708, when the two companies eventually merged, renaming itself as United Company of Merchants of England Trading to the East Indies. After the merger, Nathaniel resumed the position as MP for the same constituency in 1710 until his death.[352]

Under great pressure from this opposition faction (many members of the syndicate were also members of the Committee appointed by the Parliament to enquire into the East India trade), the Company agreed to issue a new subscription at par in 1693, which brought the total nominal capital to very nearly one and a half millions, almost doubled again only this time it was not executed by enlarging the capital considered paid up.[353] The number of shareholders was also nearly doubled as according to the latest account before the establishment of the New Company that was made in April 1696, there was a total of 1188 adventurers whose holdings amounted to £1,574,608 10s 7d.[354] Child, however, refused to admit complete defeat. By declaring that the allotment of the new stock should be made proportionately to the total applications as well as a shrewd manoeuvre of wording in the newly granted charter, he secured that the holdings of the new subscribers would be kept under a certain limit and their voting rights would not threaten the position of old members or the managerial structure of the company.[355] Obviously, the issue of new stocks in 1693 proved to be a huge disappointment to the opponents, so they decided to carry on the campaign.

Again, the fiscal needs of the Crown increased to a new level thanks to the war with France, and even the newly founded Bank of England could not quench the King's thirst for financial aid. The Company was well aware of this situation and was willing to relieve some pressures off its shoulder by procuring a loan to the government. However, the finances of the Company were not in a healthy condition to meet the demand of a sizable amount that the

[351] Robert Walcott, The East India Interest in the General Election of 1700-1701, *The English Historical Review*, Vol.71, No.279 (Apr., 1956), p.230.
[352] Paula Watson & Sonya Wynne, Nathaniel Gould, History of Parliament Online, https://www.historyofparliamentonline.org/volume/1690-1715/member/gould-nathaniel-1661-1728#footnote2_5b7uipu, (accessed 20th September, 2019)
[353] Scott, *The Constitution and Finance*, p.323.
[354] IOR/H/2, folio 144.
[355] Scott, *The Constitution and Finance,* p.158.

Exchequer would likely to make upon it. The Company was facing a substantial amount of debt in the 1690s, for which the interruption of trade caused by the War presumably held a great responsibility.[356] Therefore, on 14th April 1698, the Committee under the consideration of 'the present state of the Company Affairs, and the difficulties they were under, in carrying their Trade, by reason of the number of Interlopers' made a proposal to the General Court of a scheme in resemblance of the flotation of the Bank of England. According to the scheme, the present capital of £1,574,608 should be valued at 50%, and the subscription book should be laid open for a new subscription of £712,696, which made the total capital of the Company amount to exactly one and a half million pounds. Of the newly raised stock, £700,000 would be lent to the government at the interest of 4%.[357] The opposition faction led by Thomas Papillon also saw the opportunity and made a counter offer of a £2,000,000 loan at 8% interest in exchange for 'the liberty of trading to the East Indies, exclusive of all Others'.[358] Although the loan offered by the opposition was at twice the rate of interest offered by the Company, the sum was almost three times that which the old Company could manage to provide. Exhausted by the war which had been waged on for almost a decade by this time, the government accepted the opposition's offer, which contained a series of clauses including 'that every Person subscribing £500 have a Vote; and no Person to have more Votes than one', which secured that even if the old Company managed to subscribe a large sum, the control of the Committee of the New Company would not be alienated.[359] The old EIC was quick to try to remedy the situation by proposing a new scheme of raising £2,000,000 following the same approach of their last offer; and to make it more acceptable it was ready to secure the loan with an advance of £200,000.[360] However, the Bill to constitute a New East India Company with a subscription of £2,000,000 was passed both in the Commons and the Lords. The Old Company was not without compensation though as the House of Lords compromised that its charter could not be revoked without a three-year notice and the Old Company was entitled to subscribe to the two million flotation.[361] An Act was passed afterwards that practically sold the rights of trading to the East Indies to the subscribers of the two million loan who as a community were given the title 'General Society'.[362] On 14th July

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[356] IOR/L/AG/1/1/10.
[357] IOR/B/41, folio 272.
[358] IOR/B/41, folio 285.
[359] *Journal of the House of Commons: Volume 12, 1697-1699*, London: His Majesty's Stationery Office, 1803, pp.258-287.
[360] IOR/B/41, folio 286-287.
[361] The History and Proceedings of the House of Lords, Vol.2, (London, 1742), pp.4-5.
[362] 'William III, 1697-8: An Act for raising a Sum not exceeding Two Millions upon a Fund for Payment of Annuities after the Rate of Eight Pounds per Centum per Centum per Annum and for settling the Trade to the East Indies. Chapter XLIV. Rot. Parl. 9 Gul.III.p.7.n.4.', in *Statutes of the Realm: Volume 7, 1695-1701*, John Raithby (ed.), Great Britain Record Commission, 1820, pp. 429-446.

1698, the flotation officially started following the issue of a patent letter, and the sum of two million was subscribed in just three days.[363] Nearly two months later, the General Society was incorporated into a joint-stock company bearing the name 'The English Company Trading to the East Indies', thus the New East India Company was officially established.[364]

In order to examine the participation of London mercantile community, using the database sample constructed for the thesis, in this event, it is necessary to clarify the position of each individual merchant. As one may expect, some of the merchants were shareholders of the Old Company, some of them were members of the General Society which eventually incorporated into the New Company, and some merchants simply refused to be involved in the East India trade or the stock trading of the two wrestling companies. Therefore, the sampled merchants could be categorized into three groups.

During the 1690s before the establishment of the New Company, five books of the lists of adventurers and stock account are extant. These books recorded each individual shareholder's name and the sum of his shareholdings following an alphabetic order for the year 1691,1693,1694,1695 and 1696. The closest book before 1691 was the book compiled in 1675, a year considered here as too early for a study on a group of merchants who were active in the 1690s. To further simplify the study and avoid the complications induced by the records of consecutive years, three books from 1691, 1693 and 1696 are selected as the base for this investigation.

Of all the sampled merchants, 51 could be identified as shareholders of the Old Company during the period between 1691 to 1696. As shown by figure 4.5, 35 of them were denizen cloth merchants who exported Old Draperies, 14 were wine merchants who imported wine mainly from the Iberian Peninsula and Mediterranean ports, and 4 were leather exporters. Besides, two adventurers of the Old Company were both cloth exporters and wine importers.

363 IOR/A/1/52.
364 IOR/A/1/56.

	No. of sampled merchants (1)	No. of old EIC shareholders (2)	No. of new EIC shareholders in 1696 (3)	(2) / (1)	(3) / (2)
No. of cloth merchants	177	35	36	19.77%	102.85%
No. of wine merchants	66	14	16	21.21%	114.29%
No. of Leather Merchants	17	4	4	23.53	100%
Total	260	51[1]	56[2]	19.62%	109.80%

Figure 4.5 Shareholders of the Old Company

Source: IOR/H/1, IOR/H/2, TNA E190/151/5, TNA E190/156/5, TNA E190/160/6

Note 1: See text

Note 2: One merchant, William Hammond, was a new shareholder who conducted both cloth and wine trade.

The fact that nearly a fifth of the sampled merchants held stocks in the Old Company does not exactly match the impression of its highly protected membership. In addition, the above table shows that specialization had virtually no impact on the merchants' involvement in the Old Company throughout the entire period of 1691-1696. It seems that, in general, cloth merchants, wine merchants and leather merchants were equally likely to join the Old Company. This confirms the advantage of the joint-stock model in bypassing the barrier instituted by specialization and monopolistic charter. However, the situation appears a little more complicated if it is examined more closely. As mentioned above, under the mounting pressures of the opponents, the Company had to open its book in late 1693 for a new subscription which nearly doubled both the capital and number of adventurers. In fact, a majority of the 51 hareholders were newcomers who were only recently accepted during the capital enlargement. Furthermore, although the number of leather merchants involved was probably too insignificant to draw any conclusion, the wine merchants beat the cloth merchants in terms of activity in the new subscription by a recognizable margin. Compared to the cloth merchants who mainly traded with the Baltic countries and near Europe, the wine merchants' business was obviously more susceptible to the hazards of the war which means they would be more eager to seek alternative trade routes or new investment opportunity for trading capital that became idle. These newcomers, of whom the wine merchants constituted a more significant portion, suggests that London merchants were not ignorant of the advantages brought by this joint-stock company: when given the opportunity, thanks to the free trade movement, and some extra incentives due to the ongoing war with France, these merchants did not hesitate to jump on board. However, in spite of the seemingly impressive admission rate, it should be kept in mind that as mentioned above, through a series of subtle manipulations, although the number and holdings of the newly-added 1693 adventurers may have matched the old members, they could hardly threaten their positions or the managerial structure.

Moreover, the absence of 'foreign' merchants from the lists of East India adventurers is evident. D. W. Jones observed that a group of immigrants from the Continent swiftly took over a large proportion of the London export trade to Near Europe. A majority of these foreign merchants were Huguenots, and most of them received denizenship during the 1680s or earlier. Jones also made a list of 33 significant foreign merchants who were predominantly exporting cloth to Near Europe.[365] In the last chapter, it has been pointed out that many merchants in the sample were recent immigrants, and they were related to other prominent foreign families that are not in the database. In fact, 16 out of 33 merchants (nearly 50%) from Jones' list could be found in the sample used by this study. Surprisingly, none of them appeared in the Company's lists of shareholders for these years. However, it is worth mentioning that despite the absence of Peter Lethieullier, his two family members, William and Abraham Lethieullier, were in the shareholder list of the new Company.

IV. Conclusion

Douglass North had a famous definition for all organizations: 'purposive entities designed by their creators to maximize wealth, income, or other objectives defined by the opportunities afforded by the institutional structure of the society … in the course of pursuing those objectives, organizations incrementally alter the institutional structure'.[366] We have previously reviewed how historians and economists approached the self-serving nature of early modern trading companies which resulted in very conflicting arguments regarding the impact of these companies on the performance of the general trade and economy as well as on the merchants themselves. We have also discussed, with the study of this chapter, how the evolution of internal political structure and the abruption of external political events had shaped the innovations of mercantile trading organizations at the end of the 17th century. The

[365] D. W. Jones, *War and Economy*, pp.253-260
[366] D. North, *Institutions,* p.73.

story of the two big joint-stock companies included in this chapter may have been driven by the economic motivation of London overseas merchants who were already accustomed to the last trade expansion and were always seeking new investment opportunity. However, without the political environment of the late 17th century, that story would likely not progressed in the same way that we are familiar with, just like what Marx and Engels remarked nearly two centuries ago:

> Hence if somebody twists this into saying that the economic element is the only determining one, he transforms that proposition into a meaningless, abstract, senseless phrase. The economic situation is the basis, but the various elements of the superstructure — political forms of the class struggle and its results, to wit: constitutions established by the victorious class after a successful battle, etc., juridical forms, and even the reflexes of all these actual struggles in the brains of the participants, political, juristic, philosophical theories, religious views and their further development into systems of dogmas — also exercise their influence upon the course of the historical struggles and in many cases preponderate in determining their form.[367]

Thanks to the rise of early modern English state whose ability to devise and preserve property rights with its sovereign authority, London merchants and adventurers were enthusiastic to acquire the royal commitment for monopoly rights and public capital raising. Thanks to the Glorious Revolution which, at least to a certain extent, safeguarded the Crown's ability and determination of preserving the said property rights, the mercantile enthusiasm could be realized as financial projects attracting investors from all stations of English society, although, as we have discussed, merchants and gentry of which many were retired merchants were still the dominant participants. The war with France was like a proficient catalyst that made the cooperation of the Crown, the merchants, and the public a natural and mutually beneficial result. This was probably, as William Scott observed, a time 'when it was desirable that a greater capital should be invested, and hence a kind of organization came into existence with a larger membership, in which those interested necessarily had the right of selling their respective interests without obtaining the sanction of the rest.'[368] Probably the most important feature of the joint-stock model is the ability of raising significant amount of capital by blurring the private boundaries of capital with the

[367] *Engels to J. Bloch in Konigsberg* in D. I. Chesnokov, *Historical Materialism*, Moscow: Progress Publishers, 1972, p.294.
[368] Scott, *The Constitution and Finance,* p.442.

public domain which may not be achievable without the aforementioned political environment. This could also be considered as a process of impersonalization, as most of the investors no longer took personal responsibilities of the operation of the business that their capital was poured into, instead, they delegate the said responsibilities to the directors and agents of the joint-stock companies.

The Bank of England and the New East India Company were just two, although arguably the most important two, of the many joint-stock companies which rose to the historical stage during the joint-stock boom in this vital period of financial revolution. Some were successful, and some were disastrously less so, such as the South Sea Company, which reminds us of the potential danger of the joint-stock model and its ability of mixing private and public. As we have seen in this chapter, many of the merchant activists for the flotations of the Bank and the New Company were just seeking better, more profitable, and more secured investment opportunity, and not necessarily interested in the actual business of the companies they were advocating for, nor were they deeply concerned of the event we call financial revolution or the organizational model of joint-stock. In fact, the joint-stock boom gradually faded away as Dickson observed: 'in the early period it may well have seemed that the market would in future centre on company flotations, and that dealings in government securities would gradually decline once the war ended. In fact, the reverse occurred. The age of reason was also an age of war'.[369] Most of the active merchant participations in the flotations of the Bank and the New Company had their own trade and business, and many were still holding the offices of their respective regulated companies. Therefore, to unfold the more complete organizational story of the London merchants lived in the turn of the century, we have to look into the more traditional form of mercantile association – the regulated companies.

[369] Dickson, The Financial Revolution, p.488.

Chapter 5 Regulated Companies and the Exchange Valley around 1700

Factors in the Trading World are what Ambassadors are in the Politick World; they negotiate Affairs, Conclude Treaties, and maintain a good Correspondence between those wealthy Societies of Men that are divided from one another by Seas and Oceans, or Live on the different Extremities of a Continent.

--Joseph Addison, The Spectator, Saturday, May 19, 1711

P. G. M. Dickson acknowledged that ‘the structure of ownership of securities as formally recorded in the stock ledgers of the monied companies and the receipt books and annuity rolls of the Exchequer might be held to be largely a fiction’.[370] There was evidence to support the possibility that the real owners of these stocks and securities might conceal their true identities, for reasons of business secrecy and perhaps of tax evasion, by the ingenious use of nominee holdings, secret trusts, and other devices; foreign holders were thought to be particularly adept at these practices.[371] This possibility is no doubt interesting in its own right in terms of studying the true structure of organizations such as joint-stock companies because potentially every entry in the subscription books of the New East India Company and the Bank of England could be a proxy for someone else, which could complicate the matter extremely. Employing agents to make entries in place of the supposed subscribers was quite common in both the Bank of England subscription and the flotation of the New East India Company. Female investors were particularly prone to this practice, although the fact that they were also expected to rely more on others making entries in public for them certainly complicates the matter. In addition, many of these agents were themselves very important investors in these organizations, and some names appear in the ledgers very frequently, which potentially raises the possibly of these agents being the true beneficiaries, or professional stockbrokers or jobbers who might consider covertly purchasing stocks for their clients as broking or jobbing.

On the other hand, this situation also reminds us of the danger of investigating mercantile participation in the financial revolution by looking into the ledgers of the joint-stock companies alone. After examining the investing activities of a provincial merchant, Samuel Jeake, and a London merchant, Peter Briggins, Natasha Glaisyer made an insightful

[370] Dickson, *The Financial Revolution in England*, p.251.
[371] Ibid.

suggestion: 'analysis of this type of source suggests that perhaps we should be slightly less confident in the financial revolution's contribution to the formation of a class of moneyed men, and also consider investigating the large number of proxy investments that were being conducted'.[372] However, it is proposed here that the complicated and sometimes even deceptive investment culture of the London mercantile community did not compromise the impact of the financial revolution on it; instead, it was but another form of participation actively undertaken by the industrious merchants and 'money men'. After the study of London merchants' family networks and their involvements in the emerging joint-stock companies, which was one the main features of this period, this chapter turns to other organizations, both formal and informal, which although relatively less documented constituted a sprawling yet intricate web of mercantile network when integrated with the former two subjects. This chapter will begin an investigation of the regulated companies with the Levant Company, 'one of the tributaries which fed the main stream of English economic development in the seventeenth and eighteenth centuries, helping to transform the primitive, narrow commercial organization of pre-Tudor England into the great mercantile community of later days' as a prime example.[373] When examining their function in supporting the mercantile networks of the early modern London business community, extra attention will be paid to the regulated companies' roles in weaving the merchants' family networks into a sophisticated and self-sustaining commercial web that stretched from London to Aleppo. The second section of this chapter will focus on the Exchange Alley and discuss the economic and social support provided by the Royal Exchange and the coffee houses in the neighbourhood.

I. The Levant Company

As already discussed in the last chapter, regulated companies were probably one of the two major forms of chartered trading organizations in the early modern age, and as a licensing organization, they are, to a large extent, not very different from traditional merchant guilds which is 'an old phenomenon' that probably came into existence in as early as the 8th century and later spread to Medieval Europe.[374] Unlike most medieval merchant guilds, rather than being incorporated by a regional authority and usually operating within the limit of that civic authority, the monopolistic privileges of early moden regulated companies were

372 Natasha Glaisyer, *The Culture of Commerce in England, 1660-1720*, Woodbridge: Royal Historical Society, 2006, p.4.
373 Wood, *A History of the Levant Company,* p.202.
374 Regina Grafe & Oscar Gelderblom, The Rise and Fall of the Merchant Guilds: Re-thinking the Comparative Study of Commercial Institutions in Premodern Europe, *Journal of Interdisciplinary History,* Vol.11, No.4, (Spring, 2010), p.481

confirmed by the Crown with royal charters which allowed the company members to conduct their business in the assigned foreign regions, a type of organizational structure possibly unique to England.[375] Despite this, the connection of merchant guilds and regulated companies could be still be observed in the membership structure of the first English regulated company, the Merchant Adventurers' Company receiving its first royal charter in 1407, which drew many of its starting members from the Mercers' Company of London.[376] As T. S. Willan pointed out, a fundamental difference between joint-stock companies and regulated companies in terms of their organizational structures which in turn affect the behaviours and functions of their members and directors is that a joint-stock company 'itself traded as a body and the members did not, or were not supposed to, trade individually within the area of the company's monopoly' whereas 'in the regulated company the members traded, either individually or in partnership, with their own capital'.[377] Regulated companies provided overarching benefits including the negotiation of trading treaties and the establishment of mercantile facilities such as warehouses and set broad operational parameters within which members traded on their own accounts either separately or in partnership.[378] As the contemporary writer John Wheeler described the Merchant Adventurers in 1601: it had 'no banke, nor common stocke, nor common factour to buye or sell for the whole companie, but every man tradeth a-part and particularlie with his owne stocke and with his owne factour or servaunt'.[379] In comparison to joint-stock companies, regulated companies were a much more decentralized organization in which everyday trade was not carried on by company ships and agents but by each individual merchant, his partners and his factors both in home and abroad.

Therefore, it seems to be reasonably plausible to presume that, compared to the joint-stock model covered by the last chapter, early modern regulated companies were more personalized organizations. This section of chapter thus will examine what this personal nature would imply for the operation of the regulated companies and the business of their members using the Levant Company as a prime example.

1. Why the Levant Company?

[375] K. Davies, *The Royal African Company*, p.26.
[376] E. M. Carus-Wilson, The Origins and Early Development of the Merchant Adventurers' Organization in London as Shown in Their Own Mediaeval Records, *The Economic History Review*, Vol.4, No.2 (Apr., 1933), p.153.
[377] Willan, *The Early History of the Russia Company 1553-1603*, pp.19-20.
[378] S. Jones & Ville, Efficient Transactors or Rent-Seeking Monopolists? p.898.
[379] John Wheeler, A Treatise of Commerce, London: By Iohn Harison, 1601.

By the onset of the financial revolution which featured a burst of joint-stock companies in both England and Scotland as well as a remarkable free-trade movement that not only challenged the monopoly of the old existing chartered companies but also profoundly influenced the organizational structures of the newcomers, there were still several regulated companies fiercely safeguarding the exclusive privileges in the regions designated by their charters and their members were still actively participating in the trade to these regions. An interesting phenomenon which was deeply rooted in the changing landscape of English regulated companies can be perceived here. Merchant firms specialized in the trade to North Europe covering the region from the Low Countries to Russia were responsible for nearly 70% of the total customs dues, indicating that by the end of the 17th century the trade to near Europe and the Baltic was still dominating English textile export. However, a notable portion of these merchants did not belong to any chartered company beyond the East India Companies. This was, to a certain extent, due to the decline of the Merchant Adventurers, which seized the opportunity of the first expansion of English foreign trade in the 16th century and benefited greatly from the cloth trade between Antwerp and London, but was finally defeated by the supporters of free trade and the manufacturing interest.[380]

Safeguarded by the characteristic cloth trade of the time and the organizational support of the Company, a particular group of London merchants had acquired an unprecedented amount of wealth, 'either individually or as a class', making them in the mid-16th century 'the effective masters of London'.[381] After 1567 when the relations between the Company and the City of Hamburg were formally established, the 'once loose organization among English "adventuring merchants " to the coasts of the continent had been gradually transformed into a close and well-organized society, with customs and practices already crystallizing', and the Company was often referred to as the Hamburg Company afterwards.[382] The Merchant Adventurers continued to prosper in the following century and secured a series of privileges from the Hamburg City Council including the exemption from taxation, the rights to fully exercise its charter and even its own jurisdiction not just over Englishmen but also applied to cases involving local burghers.[383] These privileges constituted the overarching structure that underlay the everyday activities of the Company members and

[380] David Ormrod, *The Rise of Commercial Empires: England and the Netherlands in the Age of Mercantilism, 1650-1770*, Cambridge: Cambridge University Press, pp.35-43.
[381] G. D. Ramsay, *The City of London in International Politics at the Accession of Elizabeth Tudor,* Manchester: Manchester University Press, 1975, p.41.
[382] William E. Lingelbach, The Merchant Adventurers at Hamburg, *The American Historical Review*, Vol.9, No.2 (Jan., 1904), p.267.
[383] Ibid, pp.269-273.

their factors, which was an influential example for all the later regulated companies. Despite fierce oppositions from the locals and other Hanseatic powers, the demise of the Company was settled by events at home. The 17th century saw great struggles between the Company and its attackers, similar to the East India Company incident discussed in the last Chapter, which also featured a project of establishing a new Company promoted by Cockayne and intertwined with political conflicts between the Crown and Parliament.[384] All these struggles eventually concluded with an Act passed in 1688 which officially deprived the Company of its monopoly of the export of woollen manufactures and opened its trade to all English merchants.[385] From then on, although it still retained a fraction of its old privileges secured by the treaties negotiated with foreign powers along the coast of North Sea, the Hamburg Company ceased to be a regulated company because its monopolistic charter was effectively revoked by the Crown. Its membership no longer entailed legal obligations or rights, which was probably the reason why the textile merchants who specialized in the trade to the Netherlands and Germany cannot be easily identified as members of the Hamburg Company. Consequently, this study will not investigate the now crippled Hamburg Company, as it already lost its organizational influence over the London merchants who were still carrying on the trade with the Netherlands and Germany.

The situation above, therefore, practically limits the scope of the study on regulated companies to the Eastland Company and the Levant Company, and the Levant Company is a better research subject than the Eastland Company for merchants in this database mainly for three reasons. First of all, there are almost twice as many Levant merchants as Eastlanders in the database despite a few overlaps, and their trade volumes in terms of the number of consignments sent to the chartered regions of their companies also considerably favour the former group. Secondly, the Turkey merchants were relatively more specialized and consistent in the trade to their chartered region. In general, they tended to send all or at least most of their consignments to the Ottoman territories. On rare occasions, members of the Levant Company would be found focusing the majority of their trades to other areas and these are usually due to the fact that the merchants in question also belonged to other regulated companies. By contrast, nearly half of the Eastland merchants were not trading with the Baltic nations but rather exporting to the Low Countries and Germany, and these

384 William E. Lingelbach, *The Merchant Adventurers of England: Their Laws and Ordinances with other Documents*, Philadelphia: The University of Pennsylvania, p.21.

385 'William and Mary, 1688: An Act for the better preventing the Exportation of Woole and Encourageing the Woollen Manufactures of this Kingdome Chapter XXXII. Rot. Parl. pt. 4. nu. 12.', in *Statutes of the Realm: Volume 6, 1685-94*, John Raithby (ed.), Great Britain Record Commission 1819, pp. 96-98.

merchants could probably be better classified as Hamburg merchants. This is probably because, due to the seasonal shipping character of the Baltic and Hamburg trades, Hamburg merchants would still benefit from joining the Eastland Company.[386] Finally, while few records of the Eastland Company have been preserved to this day, the Levant Company is much better documented, and its records are easily accessible in the National Archives under two collections: SP 105, which registers the operation of the General Court including its minute books, and SP 110, which keeps the information of the Company factors based in Aleppo including their correspondence with principals and fellow factors. These well-preserved and abundant resources will be of great assistance in recreating the trading activities of Turkey merchants and their interactions and connections with both their factors in the Levant and the wider mercantile community even beyond London.

2. The Levant Company and the EIC, Organizational Similarities and Differences between Regulated and Joint-stock Companies

Established in 1592 by a royal charter, the Levant Company or 'the Governor and Company of merchants of the Levant' as it was officially known, resulted from the merger of two regulated companies: the Turkey Company incorporated in 1581 and the Venice Company incorporated in 1583.[387] Therefore, the Levant Company from the very beginning was not confined to the Ottoman territories. Instead, the area in which the Company enjoyed the monopoly of trade was the entire Eastern Mediterranean as far west as Italy and the East Indies 'lately discovered' which was later conceded to the East India Company. It thus should be kept in mind that although the majority of the Turkish merchants' trade drew from the Levant, Italy and especially Leghorn (modern-day Livorno) was a vital commercial and networking terminal for their business.

The organizational structure of the Levant Company resembled, at first glance, that of a joint-stock company such as the East India Company. Both were companies dedicated to long-distance trade with monopolistic privileges secured by royal charters, and their domestic and overseas organizations had many common features conforming to the pattern followed in the great majority of the commercial and colonial adventures chartered in the 16th and 17th centuries. At home, the governing bodies for these two companies were also very similar. The

[386] Ralph Davis, Merchant Shipping in the Economy of the Late Seventeenth Century, *The Economic History Review,* New Series, Vol.9, No.1 (1956), p.63, p.67.
[387] 'Queen Elizabeth – Volume 241: January 1592', in *Calendar of State Papers Domestic: Elizabeth, 1591-94*, Mary Anne Everett Green (ed.), London: Her Majesty's Stationery Office, 1867, pp. 163-176.

decision-making and everyday business of both the Levant Company and the East India Company were carried on by their executive courts – the Court of Committees for EIC and the Court of Assistants for the Levant Company - and General Courts. The executive courts consisted of one governor, his subordinate officials and a certain number of assistants, and the General Courts in theory included all shareholders or freemen exercising a supervisory though final control over the executive courts.[388]

Like the East India Company, the Levant Company relied on the factory-system to support its members' overseas business. Under this system, factors or agents left behind by the ships from Europe sold their goods and made provision for the return cargo well before the arrival of the next year's shipping.[389] By establishing permanent trade stations and maintaining long-term business relations with the local market with regular and recurring exchanges, this system provided a solution to at least two major problems inevitable in long-distance trade: delays to turnaround and abnormal price fluctuations created by the sellers' market, which was well described by a fragment of a Dutch memorandum from the first decade of the 17th century found among the East India Company's papers:

> Now concerning the charges, I say that the charge of trading with ships going and coming will fall greater and mightier than the other, for the ships must stay so long till the goods are bought for the return and brought to the places, and that oftentimes they stay 4, 5 and sometimes 6 months and more before they can be ready to come away … for the trade is not so there, nor like to those in other European countries, where we may always discharge against the market, for it must be there consumed and discharged by small parcels. What think you then, which would be the most charge and hurt, for to keep there a whole ship's company so long, or to maintain their 4 or 5 persons continually to whom we might give the charge. The charges of 4 or 5 persons in one Factory the Company may well endure if they have good returns from thence.[390]

During its early years, the Levant Company attempted to establish factories, which were essentially trading posts exclusively owned by a certain trading company in this case, across its chartered areas from the Barbary coast to Egypt and from Italy to the Greek islands with

[388] K. N. Chaudhuri, *The English East India Company: the Study of an Early Joint-Stock Company 1600-1640*, London: Routledge, 1999, p.32.
Wood, *A History of the Levant Company*, pp.205-209.
[389] K. N. Chaudhuri, *The English East India Company*, p.16.
[390] William Foster (ed.), *Letters Received by the East India Company from its Servants in the East, Vol.1 1602-1613*, London: Sampson Low, Marston & Company, 1896, pp.77-78.

mixed success. By the end of the 17th century the business of Turkish merchants was mainly conducted in the company's three factories along the coast of East Mediterranean: Constantinople, Smyrna, and Aleppo, where altogether resided over 100 English factors.[391]

The similarities with joint-stock companies, however, ended here. Unlike joint-stock companies that traded as a collective body, the Levant Company was designed for laying down general rules for the conduct of trade by members individually. As a result, the organizational structure of the Levant Company had strikingly different features from that of the East India Company or the Russia Company. Since its foundation, the Levant Company had been heavily involved in state sponsored diplomacy. Endorsed by the government, the ambassador at Constantinople was a servant of the Crown responsible for all the usual diplomatic missions. On the other hand, his salary was drawn from the coffer of the Levant Company, and until 1691 when William III ordered William Harbord to succeed the late ambassador without first consulting the Company, the appointment to the post was also very much controlled by the Company.[392] Likewise, offices below the ambassador such as consuls and vice-consuls in the various ports where there were English factories or where English ships traded were either directly appointed by the Company in London, or in the cases of smaller vice-consulates filled by the ambassador.[393] The duality of English diplomatic structure in the Ottoman Empire during the 17th century as both a commercial agency and a state department is a distinctive element in early Anglo-Ottoman relations.[394] Therefore, to a large extent, these state diplomats could be considered as Company agents, and on behalf of the Company, they were responsible for the negotiation of favourable treaties and commercial privileges with the Sultan's government, directed the local factories, and represented all their countrymen. Under such a system as was provided by the Levant Company, the local trading community was practically living and working in a peculiar ecosystem that was meticulously designed to facilitate the members' business. Nonetheless, this system was not established without a cost. In exchange for the benefits and advantages provided by the Company, impositions were levied on the members at home, and consulage dues were collected in the Levant ports. Despite fluctuating rates, these duties were probably not felt too painfully by the Turkey merchants. At the end of the 17th century, 5s. was levied on each cloth, ton of lead,

[391] Wood, *A History of the Levant Company*, pp.59-79.
[392] Epstein, *The Early History of the Levant Company*, pp.74-93.
TNA, SP/105/155, p.187.
[393] Wood, *A History of the Levant Company*, p.217.
[394] Liane Saunders, *The Motives, Pattern and Form of Anglo-Ottoman Diplomatic Relations c.1580-1661*, unpublished PhD thesis, Somerville College, University of Oxford, 1993, p.ii.

barrel of tin, and every £10 worth of other goods exported.[395] And in Turkey, the rates of consulage collected on all imports and exports were normally around 1% to 2% between the Restoration and the Revolution.[396] It could be concluded that during the period covered by this study, the Levant Company was managing its affairs in a relatively cost-effective manner.

The factory-system maintained by the Levant Company was also quite different from that of a typical joint-stock company in which factors and other staff were all company employees who were paid directly from the accountants' ledger and worked on the orders of the Company as a collective body. The factors who worked and lived in the Levant factories were not subordinate to the Company, instead, they followed the orders of their principals who were freemen of the Company. In exchange for their services, they received commission on all goods passing through their hands. According to contemporary records, the commission rate in 1701 for Turkish factors was 3%. Although this was lower than the commission rate for factors in the West Indies, it was still higher than factors in Italy, Iberia, France, Hamburg, Eastland, and twice as much as those in the Netherlands, which seemed to follow the function of distance.[397] The factors were usually sons of gentlemen, cadets of noble families and Company freemen, and were apprenticed to some member of the Company in London in order to learn the trade and make their fortunes.[398] Compared to the factors employed by the joint-stock companies, many of the Levant factors tend to be relatively inexperienced young men who undertook commercial tasks also as an education process, and the relationships with their principals were more personal and in many cases, familial. Therefore, the factorship of the Levant Company could be seen as a component of its apprenticeship and admission system. Indeed, many Turkey merchants started their career as factors for their master, and from there, they could grow to freemen of the Company thus became masters and principals themselves or sometimes even men of greater stations as in the story of Sir Dudley North.[399]

3. The Apprenticeship of the Levant Company

Admission to the Levant Company is a complicated matter. On the surface, unlike the East India Company which limited the number of its adventurers to around 450 before

[395] TNA, SP/105/155, p.290.
[396] Wood, *A History of the Levant Company*, pp.209-210.
[397] Edward Hatton, *The Merchant's Magazine, or Trades Man's Treasury*, London, 1712, p.207.
[398] Gwilym Ambrose, English Traders at Aleppo (1658-1756), *The Economic History Review*, Vol. 3, No. 2 (Oct., 1931), p.246.
[399] Richard Grassby, *The English Gentleman in Trade*, Oxford: Clarendon Press, 1994, p.2.

doubling the quota during the 1690s struggle and endeavoured to stabilize at that number even then, there was officially no limit to the number of members for the Levant Company.[400] By the end of the 17th century applicants were required to make a payment of £25 (raised to £50 shortly after) upon entry, and if the applicant was an apprentice or related to a member the admission fee would be reduced to 20s.[401] However, the deeper and more intricate side of the story will only be revealed when the coin is flipped over, which, to a very large extent, determined the nature of the organization as a regulated trading company.

In order to become a freeman of the Company and enjoy the exclusive rights as a member, the young aspirant and his family normally had three options: 1. Entrance by patrimony, if the aspirant's father was also a Turkey merchant, which was in reality not available to most applicants for obvious reasons; 2. by redemption, with the payment of an admission fee mentioned above; and 3. by apprenticeship, which required the aspirant to be apprenticed to a master who was supposed to be freeman of the Company. Of all these three options, only an apprenticeship could provide the training essential for a novice even if he came from a mercantile family.[402] Normally, the term of apprenticeship was seven years, the first three of which were spent in the master's warehouse, learning the art of merchandizing the trade goods for the Turkey market; after that, the apprentice would be sent to the Levant where he served as a factor until he acquired his freedom, and some of them continued the lives of factors even then.[403] The business model of the Levant Company - only setting the overarching structure and leaving the details to each individual member - also extended to the field of admission, as the dealing of the would-be apprentice and his potential master was on a much more personal ground and not directly managed by the Company. Because of the personal nature of this apprenticeship system, the level of the premiums paid to masters, which served as a tuition fee and was in effect the entry costs for this particular type of admission, was normally not well documented until 1708 when a tax was imposed on apprenticeship premiums.[404] Fortunately, the correspondence of Levant merchants and factors would sometimes reveal this information, and such correspondence was indeed abundant, which means that although a statistical survey of the general picture is virtually impossible, it is still feasible to harvest some cases that might be representative.

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[400] Grassby, *The English Gentleman in Trade*, p.23.
[401] Wood, *A History of the Levant Company*, p.40.
[402] Grassby, *The English Gentleman in Trade,* p.24.
[403] Gwilyn Prichard Ambrose, *The Levant Company mainly from 1650-1753*, B.Litt. thesis, University of Oxford, 1932.
[404] R. Davies, *Aleppo and Devonshire Square,* p.65.

In general, the premiums were higher in the Levant than in other trades, as 'of all the branches of "foreign commerce" which one might enter, it was accordingly the Levant trade which appeared the most prominent to many discriminating judges of Stuart society'.[405] Despite the higher expenses, respected and wealthy masters were still being eagerly pursued, and often came in 'short supply', as a successful search for a masters usually replied upon recommendations, as shown in a letter from a factor in Aleppo to his contact in London:

> I recommended to you our Mr. Denby, as a proper Person for a Master to your son, who being since dead, I know not how you can dispose of him better, than to Mr. Nathaniel Harley of this place, who being a gentleman of a very good estate, and brother to the speaker [of the House of Commons, Sir Robert Harley], I presume designs not to stay long here … if you can prevail with [him] … to take your son apprentice, I believe his fortune is made.[406]

However, the precious opportunity of gaining a leading merchant as master and further expanding not only the aspirant's mercantile networks but also political ones through apprenticeships was reserved for the well-connected and well-to-do families. As one the primary sources of Levant traders, gentry families were not always in possession of both advantages, as shown in the case of Sir Dudley North. North became a prominent figure not only in the Levant trade but also in the overall landscape of London mercantile community, the governmental administration of trade and revenue, and is also known as an early political economist and free trade advocator. He started his business career as a Turkey merchant. From a landed gentry family from Cambridgeshire, Dudley's father was no expert in overseas trade, and after consulting the only contacts he had in the City he eventually apprenticed Dudley, his third surviving son, to a certain Mr. Thomas Davis, who was not a leading Levant merchant, with a premium of £350 in 1658.[407] In comparison, another gentleman, Sir Ralph Verney, was more successful in finding his second son John a suitable master in the Company after the family returned from exile due to a political incident in the Civil War, thanks to his friendship with Sir Roger Burgoyne. The deal of John's apprenticeship was arranged by Burgoyne's brother-in-law, William Love who was an alderman of the City and an important member of the Levant Company. Just one year after Dudley North was bound to Davis, the

[405] Grassby, *The English Gentleman in Trade*, p.24; James Mather, *Pashas: Traders and Travelers in the Islamic World*, New Haven and London: Yale University Press, 2009, p.53.
[406] TNA SP 110/23, fo.64.
[407] Grassby, *The English Gentleman in Trade*, p.25.

indenture committing John Verney to Sir Gabriel Roberts was sealed, with a premium of £400 and a £1,000 bond as security against theft.[408] John's master came from a major dynasty of Levant merchants. His father, Lewes Roberts, was both an assistant of the Levant Company and a committee member of the East India Company, and was also renowned as a prolific author on foreign trade.[409] Sir Gabriel Roberts inherited his father's business along with his brother William, started his career in the Aleppo factory, and ended up as a leading Turkey merchant and the deputy governor of both the Levant Company and the Royal African Company.[410] It appears that, as a result of better networks, the Verneys struck a better deal than the Norths in apprenticing their younger sons into the Levant Company, albeit at a higher cost.

The glamour, prestige, and reputation for profitability of the Levant Company in the early to mid-17th century were results of the growing southern trade during the second English commercial expansion discussed in the previous chapters. The contemporary perception of the eminence of the Company was also fuelled by the wealth and prominence of the Levant merchants. In the autumn of 1640, the Crown raised £50,000 from some 140 leading London citizens, and among these wealthy contributors there were 31 Levant Company traders, whose average payment was £275 in comparison to the 21 Merchant Adventurers, whose average payment was £155.[411] Therefore, the higher premiums of the Levant Company apprenticeships could be justified by the potential imbalance of supply and demand.

The premiums of Levant Company apprenticeships continued to be higher than others after the Restoration, and the amount seems to be rising by the years, as suggested by a letter written by Rowland Sherman in August 1683, who was also bound to Sir Gabriel Roberts:

> …our trade continues very bad or rather grows worse and worse, so that truly I can see small prospect of advantage the apprentices are like to have correspondent to the Large Summes of £5 and 600 now commonly given to Masters.[412]

[408] Susan E. Whyman, *Sociability and Power in Late-Stuart England: the Cultural Worlds of The Verneys 1660-1720*, Oxford: Oxford University Press, 1999, p.42.
[409] ODNB, https://www.oxforddnb.com/view/10.1093/ref:odnb/9780198614128.001.0001/odnb-9780198614128-e-23766?rskey=X8Rzn7&result=3, (accessed 8th September, 2019)
[410] Ibid.
[411] Brenner, *Merchants and Revolution*, p.81.
[412] TNA SP 110/16, fo.6.

As the timeline progressed into the 18th century, premiums paid to Levant masters mounted to £1,000, according to Ralph Davis and his study on a sample of twenty premium-paying apprentices to Levant merchants between 1714 and 1753.[413] For example, a premium of £1,075 was paid to Richard Lockwood for the apprenticeship of Christopher des Bouverie, probably the son of William des Bouverie (William and his brother Jacob des Bouverie were both Turkey merchants). Davies's study also revealed that by the early to mid-18th century, very few Levant merchants' apprentices eventually entered the Levant Company despite the large premiums already paid whereas 'only a handful of the hundred-odd persons who joined the Levant Company in that period appear to have been premium apprentices to anyone at all'. However, the business mode of the Company did not deviate too much from that a century before, with two-thirds of new Company members between 1714 and 1753 still serving for some time in the Levant as factors.[414] This suggests that by the mid-18th century, apprenticeships, or at least premium-paying apprenticeships, were of much lesser significance in the admission to the Company, and those that did pay premiums to bind themselves to Levant masters were seldomly seeking admission. The apprentices in question were probably simply looking for wealthy London merchants, a group among whom Levant merchants were well represented, as their masters, to accumulate well-tested knowledge, experiences, and networks, but not necessarily for the Levant trade.

By looking into the complex admission system of the Levant Company, a better and more comprehensive understanding can be gained of the monopolistic nature of the organization. Many contemporaries attacked the Company for its narrow monopolistic spirit and strict regulations, which not only cramped the trade that should be enjoyed by English merchants but also gave a great edge to the French and Dutch competitors.[415] The most resented by-laws included the use of general shipping imposed in 1718, which ordered that all trade should be conducted by general shipping hired and run by the Company, thus depriving members of their liberty to use private shipping; and one imposed in 1744, which forbade sending any coin or bullion to Turkey and ordered that all members should purchase Turkish goods only with the proceedings of selling English commodities.[416] There also seems

[413] R. Davies, *Aleppo and Devonshire Square*, p.65.
[414] Ibid, pp.65-66.
[415] Christine Laidlaw, *The British in the Levant: Trade and Perceptions of the Ottoman Empire in the Eighteenth Century*, London and New York: Tauris Academic Studies, 2010, p.26.
[416] TNA SP 105/332, p.87; SP 105/333, p.6.

to be a divergence of opinions among modern writers on this topic. Some believed that because of the fierce competition posed by European traders and Leghorn as the emerging new entrepôt of the Mediterranean, contemporary critics were to a very large extent justified in explaining the decline of the Company after the early decades of the 18th century.[417] Others suggested that 'not the Company or its members, but the changing nature of the demand in England and Turkey for each other's goods, were responsible for the reduction of trade between them'.[418] However, rather than focusing the debate on whether the Company mainly had itself to blame for its eventual decline, the better question to ask for this particular study is probably whether the monopolistic practices of the Company were jeopardizing the livelihoods of its members and the London mercantile community in general, or perhaps on the contrary, might they have had some positive effects on these merchants' business, even potentially at the expanse of efficiency and the future survival of the Company? Because although admittedly monopoly is detrimental to the general economy according to classic economics, it also usually benefits the rent seekers.

Giving an oversimplified answer to these questions is imprudent, especially when the Levant Company before the 18th century is considered. The Company's monopoly on the Turkey trade was authorized and confirmed by its charter, but for that monopoly to cause any inconvenience for London merchants who were planning to participate in the trade, the Company would have to enforce a strict admission system. Yet, as already reviewed, although the admission policy of the Levant Company could hardly be taken as very open, it did leave quite a lot of room to manoeuvre. If a Levant merchant decided to send his son into the same business, it could easily be achieved by entry of patrimony, provided that he managed to secure the necessary training and education for the young aspirant. Any established merchant or trader who was interested in the merchandizing of Turkish goods could simply pay the £50 (or later £25) admission fee, which should not a real obstacle as the capital needed for carrying on the Turkish trade was much more substantial. The Company started to enforce dual freedom in its new charter granted in 1661 on new applicants who lived within 20 miles of the City, which required a Company man to also be a City man, unless they were 'noblemen and gentlemen of quality who never were apprentices to, nor bred in, nor have applied themselves to any course of trade as their calling'.[419] However, this regulation could hardly deter anyone who genuinely hope to be a Turkey merchant, as the cost of buying one's

417 Percival Griffiths, *A License to Trade: the History of English Chartered Companies*, London and Tonbridge: Ernest Benn, 1974, p.55.
418 R. Davies, *Aleppo and Devonshire Square*, p.59.
419 Carr (ed.), *Select Charters of Trading Companies,* p.xli.

freedom into one of the City livery companies was, again, significantly lower than the capital needed for the trade. The entrant could also simply ask his master in the Levant Company to also apprentice him in the Livery Company, as shown in the case of John Harvey who was bound to John Morice of the Mercers' Company, also his master in the Levant Company.[420] Furthermore, the Company was flexible in enforcing its monopoly on non-members by granting them liberty to trade in certain Levant factories. According to the register of orders of the Levant Company, during the decade of 1695-1705, it granted the liberty to trade to 41 individuals of whom only 19 eventually joined the Company.[421] Similar to any of the other chartered companies, the Levant Company was also facing illegal competition from English interlopers. But since the admission fee was so moderate that could easily be outweighed by the risks of interloping, the offenders appeared to be more concerned with evading payment of customs duties rather than the Company regulations.[422] The only real barrier for newcomers seems to be the costly premiums paid on apprenticeship, which technically was entirely optional. However, in consideration of the highly specialized nature of the Levant trade and the required connections and skilled yet honest agents, this business gave little opportunity to unprepared entrants. The problem of information asymmetry was also noteworthy, especially for gentry families because they normally lacked direct experience of merchandizing or the knowledge and contacts to make an informed decision. Younger sons of gentry origins who had little to no knowledge or networks in trade could hardly survive, and merchants or even Levant merchants whose sons had greater access to such resources could also see the value of apprenticing their new generations to successful members of the Company for tested experiences, more business opportunities, and extended networks. Therefore, the nature of the monopolistic practices carried by the Company tended to be soft barriers instead of hard ones. The trade was open to anyone who had the means to carry on it.

4. The Levant Factorship – the Early Career of Robert Mellish in Aleppo

Once a young aspirant entered the Levant system by successfully signing up with a master, his career path to a respected Turkey merchant had only started, and by the closing decades of the 17th century it would most likely start in one of the three major company factories along the Levant coast – Constantinople, Smyrna and Aleppo. Thanks to the

[420] Records of London's Livery Companies Online, https://www.londonroll.org/event/?company=mrc&event_id=MCEW376, (accessed 13th September, 2019)
[421] TNA SP 105/155, fo.331-450, SP 105/332, fo.37-49.
[422] Griffiths, *A License to Trade*, p.52.

surviving documentations concerning the running and management of the Aleppo factory, including the correspondence of Aleppo factors with other factors and their principals in London which covers nearly one and a half centuries, from 1636 to 1798, this particular factory is probably the best research subject. The following discussion is mainly centred on the life, business and networks of an Aleppo factor – Robert Mellish - based on primary sources from both the State Papers collection of the National Archives and the Mellish collection held by Nottingham University.

The Mellish family was a long-established mercantile house that produced many London merchants, most of whom were members of the Merchant Taylors' Company.[423] In Chapter 3, the discussion on the Gore family and the Mellish family served as a case study in explaining the important role played by intermarriages between different mercantile houses in facilitating mercantile networks and perpetuating both business and human capitals. Robert Mellish was a cousin of Dorothy Gore's husband Joseph Mellish. When young Robert's father died in 1688, he and his two brothers were still under age and were entrusted to their father's cousin, Edward Mellish, as wards.[424] Edward was a member of the Levant Company and had special business interests in the Portugal trade.[425] Despite this arrangement and the fact that Edward died unmarried and childless in 1703 almost thirty years after retreating from business in the 1670s in his prime years, he left his estates to Joseph Mellish, Robert's cousin and Dorothy's husband, after disinheriting his three sisters. This decision foreshadowed the fate of the principal-factor relationship between Edward and Robert after Edward took his young ward into the Company as his apprentice in February 1692.[426]

The Levant networks were already at work even before Robert set sail to the Levant. Young Robert Mellish was by no means sent to Aleppo live and work entirely on his own. Instead, he was to work with and learn from his cousin Samuel Harvey in the factory. In fact, the original plan of Edward was to bind Robert to Samuel, but apparently 'whilst he remains abroad, he is not capacitated to take an apprentice'.[427] Samuel's brother John Harvey, who was in Hamburg when Robert departed from England, later came back to London, and

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[423]Biography of Edward Mellish (d 1626), *University of Nottingham, Manuscripts and Special Collections,* https://www.nottingham.ac.uk/manuscriptsandspecialcollections/collectionsindepth/family/mellish/biographies/biographyofedwardmellish(d1626).aspx (accessed 12 September, 2018)

[424]Biography of Reason Mellish (1627-1688), and the Mellish, Condon, Rankin and Crawley families of Ragnall, *University of Nottingham, Manuscripts and Special Collections,* https://www.nottingham.ac.uk/manuscriptsandspecialcollections/collectionsindepth/family/mellish/biographies/biographyofreasonmellish(1627-1688),andthemellish,condon,rankinandcrawleyfamiliesofragnall.aspx (accessed 13 September, 2018)

[425]Biography of Edward Mellish (1633-1703), *University of Nottingham, Manuscripts and Special Collections,* https://www.nottingham.ac.uk/manuscriptsandspecialcollections/collectionsindepth/family/mellish/biographies/biographyofedwardmellish(1633-1703).aspx (accessed 12 September, 2018)

[426] Nottingham University Library, Me C 8/2.

[427] NUL, Me C 8/1/1/1.

worked as an middleman between Robert and Edward, who lived on the Blyth estate by the 1690s.[428] Moreover, when Robert arrived at London in November 1692 , he was welcomed by two Levant merchants: a cousin Ellerker and a Mr. John Ivatt.[429] They took care of Robert's life while he remained in London, buying him a watch and helping him change his writing master, and made arrangements for his embarkation and voyage which was severely delayed because of a plague eruption in Aleppo.[430] It was also planned that Robert was to travel with a Mr. Brailsford, an apprentice of John Ivatt's brother William Ivatt.[431] It is unclear if that plan was executed, because Edward eventually decided to send Robert by land through Germany to Italy, and set sail to Aleppo from Leghorn.[432] The Ivatt brothers maintained close relationships with Samuel Harvey. Samuel had been apprenticed to William Ivatt into the Mercers' Company in 1678. (One year earlier, Samuel's brother John Harvey had also been apprenticed into the Mercers' to another Levant merchant, John Morice, for whom there are eight records in the portbook database).[433] Samuel Harvey was a beneficiary in John Ivatt's will made in 1694 referring to him as 'my loving friend in Aleppo'.[434]

According to Robert's letter written in 1695 when he arrived at Leghorn, he enjoyed the hospitality and kindness of a Mr. Balle, who though only mentioned in the letter by his last name was most likely to be Robert Balle, consul at Leghorn and a factor of the Levant Company.[435] In the letter, Robert also asked Edward to send correspondence to Balle first who would then forward them to him in Aleppo. Indeed, the future correspondence between Robert in Aleppo and Edward in Blyth almost all went through Balle in Leghorn and John Harvey in London, so that Edward, after retreating from the mercantile arena of London to the family's country house, could still keep in touch with his apprentice and factor in the Levant. In addition, the Leghorn factor could have played a bigger role for Robert's life and business in Aleppo than simply forwarding his letters to his principal, as evidenced in Robert's other letters. Robert took a credit worth 90 pieces of eight from Balle when he departed Leghorn for Aleppo, and on another occasion, he ordered 'several things' from

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[428] It is probably noteworthy that the Harvey brothers were not cousins to Robert by blood. They came from their mother Joan's first marriage with Tobiah Harvey, a member of the Vintner's Company. Joan married Samuel Mellish after the death of Tobiah, and gave birth to Joseph Mellish who later married Dorothy, the daughter of Sir William Gore.
[429] NUL, Me C 8/3/2.
[430] Ibid.
[431] NUL, Me C 8/1/2.
[432] NUL, Me C 8/1/3.
[433] Apprentice Record of Samuel Harvey, *Records of London's Livery Companies Online,* https://www.londonroll.org/event/?company=mrc&event_id=MCEW377 (accessed 8 August, 2018)
[434] TNA Prob 11/419/47.
[435] Balle, Robert, *History of Parliament Online,* https://www.historyofparliamentonline.org/volume/1690-1715/member/balle-robert-1639-1731#footnote2_9ptynnt, (accessed 6th December, 2018)

Balle, and asked Edward to pay him back a sum of more than 65 dollars.[436] The amounts involved in these transactions, although not very great, were by no means insignificant, and they indicate that Balle and his trade post in Leghorn was probably serving as financier for the Levant factors and a middle station between them and their principals.

Life in the Aleppo factory might not be as exciting and prosperous as young Robert had imagined. Apart from being enthusiastic at his brother Charles's marriage, which apparently would oblige Charles to pay Robert his portion of the estate worth £2,000 as instructed in their father's will, the correspondences between Robert and Edward mainly covered a single topic – trade, or more precisely the lack of it. Robert described the expensive living costs in Aleppo and the need for money in the first letter upon his arrival at the factory in February 1696. He had been taking credit from Samuel Harvey and asked Edward to send a few bales of cloth to alleviate his financial awkwardness as 'I have kept but one horse… and I have been the only person in the factory that have had but one'.[437] This indicated that when a Levant factor encountered a turnover problem, it was possible to take credit from other factors, preferably someone close. And in such a difficult time, instead of financial aid, the factor and apprentice would ask his principal and master for trade goods to cover the costs. Since then, Robert had been working faithfully as a factor for Edward, and regularly sending him letters with trade and shipping information. From a list of shipping cargoes leaving Scanderoon for London in 26th May 1696, it can be seen that the most important goods imported from the Levant to England were silks, silk yarns, goat's wool, dyestuffs and drugs.[438] In a letter written in July 1696, Robert strongly advised Edward against remitting money to him by drawing bills from London because of the 'extravagant exchange there, that by the time it arrives here it will make no account'.[439] The unfavourable exchange rate was confirmed by John Harvey in his letter written in November 1697 advising Edward against remitting money in guineas to Robert as it would be a loss to him.[440] Instead, Robert pleaded with Edward to send him the same value of money in trade goods, cochineal in particular, as he had confidence to make a profit of 40% to 50%. However, for nearly a year after his arrival at the factory, Robert had not received any money or trade consignments from Edward, and apparently patience was not one of his strong virtues because by December 1696 he already asked Edward to allow him to go back to England if business could not be

[436] NUL, Me C 8/3/22.
[437] NUL, Me C 8/3/12.
[438] NUL, Me C 8/3/13.
[439] NUL, Me C 8/3/17.
[440] NUL, Me C 5/2/6.

sent to him upon Edward's account if not on his account.[441] After receiving a letter from Edward assuring him that the money was already sent out, and that it was only delayed because of convoy, Robert replied with several letters arguing against the use of a convoy. He asserted that he was fully capable of making business advice to any potential principal with a good knowledge of goods and prices given that he had been in the factory for a year now and cousin Harvey was very helpful in his business education. These seemingly unfriendly exchanges were probably products of the on-going war which forced the cautious principal to rely on naval convoy and doubt the business information and advice provided by his young and 'conceited' factor who believed that merchantmen with convoy almost had the same level of hazards as those without.[442]

Despite this difficult incident which probably could be attributed to the war, it seems that Robert became more comfortable in the factory and more confident of the prospects of succeeding as a Turkey merchant. In three of his letters written in mid to late 1697, Robert expressed his eagerness to obtain the freedom of the Company so that he could trade more than £100 per annum. At the same time Robert also urged Edward to persuade his brother (whose name was also Edward) to join in the business and preferably have him as a principal:

> I think he cannot do better than employ it this way, and will be much more honourable and commendable for him to reside in London and turn a Turkey merchant than to go live idly in the country where he can make no improvement of his money.[443]

Robert's optimistic sentiment was more obvious as the war ended. In addition, he finally realized that a healthy relationship with his principal was a key to success, especially when the principal in question was the guardian of himself and his brothers and therefore was very important in securing his portion of the estate left in his father's will. This is indicated in one of his last surviving letters:

> [I] hope you will oblige me so far as to afford me a more frequent correspondence for the future then you have hitherto done, since my future well-being depends so much upon your goodness and cordial advice.[444]

[441] NUL, Me C 8/3/22.
[442] NUL, Me C 8/3/31.
[443] NUL, Me C 8/3/32.
[444] NUL, Me C 8/3/24.

It seemed that Robert's optimism eventually paid off. According to the correspondence between Edward and John Harvey, a consignment of cloth had been sent from London to Robert in December 1697, and John was very positive in favour of Robert's having his own account and obtaining his freedom from the Company.[445] Unfortunately, the surviving documents end here. The Minute Books and Registers of Orders from the General Court of the Levant Company do not record an admission or liberty to trade under the name Robert Mellish, therefore, he probably did not end up as a successful Turkey merchant.

It should be noted, therefore, that not everyone's career path could be as clear and distinguished as that of Sir Dudley North. The number of Levant factors and those who had served their terms of apprenticeships and obtained the official membership or liberty to trade but eventually died unmarried, childless, or even broke thousands of miles from home is by no means insignificant. The aforementioned Rowland Sherman spent his adult life almost in its entirety in the Aleppo factory and died in 1747/8. Although not necessarily broke, Sherman most likely died single, bequeathing all of his estates to 'my nearest relation whoever may appear to be so and him or her I do appoint to be my sole executor or executrix of this my last will and testament'.[446] In spite of this, Sherman was definitely not alone at his death-bed, knowing that the chancellor of his factory, Nathaniel Free, would be there to witness and attest his will which would later be further attested and confirmed by the consul, Arthur Pollard, who, as already pointed out before was functioning as a Levant Company employee. According to the PCC wills database, it was common practice across all three major factories for the wills of factors and members of the Company who died in the Levant to be attested by chancellors and later confirmed by consuls of the factory, indicating the roles played by the local administration of the Company in managing members' social and legal affairs. This system secured the rights of both members and would-be members/young factors to devise and manage their financial estates through will making, and endorsed such rights with the Company and state authority, if the dual identities of the Levant consuls is taken into consideration.

Additionally, owing to the nature of will making, the said system also helped facilitate the consolidation of mercantile capital at least within the testators' family networks and the perpetuation of the Levant business through family lines. Henry Vernon of Aleppo, the eldest son of Thomas Vernon discussed in chapter 3, who died in 1695, made his first will in 1691 nominating his younger brother Thomas junior as his heir. In the following codicils, Henry

[445] NUL, Me C 5/2/9/2.
[446] TNA Prob 11 771/65.

made it clear that he would like to leave more than 2,500 lion dollars along with his houses, household goods and all of his principals' business to his brother George Vernon, and entrusted other Turkey merchants in Aleppo, William Harvey and Nathaniel Harley (probably Henry's partners) with George's education in merchandizing in the country.[447] Rowland Sherman was also one of the beneficiaries in Henry's will as his fellow factor working in the same factory. Henry Vernon, therefore, in effect demonstrated to the entire factory his decision to appoint George as his heir in business by passing on to him working capital, premises, and all mercantile networks, in a document attested and endorsed by the Chancellor and Consul (who in this case were William Kingston and Henry Hastings respectively) thus making an impact that could be felt by not only his family but also the mercantile community of the factory. In January 1705, Henry's youngest brother Charles was granted the liberty to trade by the Company 'at the request of Mr. George Vernon'.[448] Therefore, the business was carried through the family line following the plan designed by a will made a decade earlier.

The practice of the Levant Company transcribing and copying such correspondence for archival documentation could potentially have multiple implications, probably the most obvious of which is crafting the Company administration a tool to monitor the commercial transactions of members and factors. It was beyond doubt a remarkable practice thanks to which the Company was able to supervise the trade of its members by looking into the details of exchanges from every possible link in this intricate mercantile web stretching from Aleppo in Turkey to London, England. However, probably more importantly, it also indicated that the Levant Company was able to maintain the balance of size and efficiency to a certain extent as an organization.

5. The Organization of the Levant Company

As a regulated mercantile organization, the Levant Company would need information to decide if its regulatory rules were being imposed and sufficiently followed. However, being a regulated company that only provided overarching structures under which the members were allowed to act individually, acquiring such information could prove to be costly. The letter books are by no means a simple collection of correspondences between the Company merchants and their factors. There were, of course, letters written by the factors to their principals in London, but they are more comparable to final reports or briefs of a

[447] TNA Prob 11 426/85.
[448] TNA SP 105/156, p.187.

consignment which engaged a few intermediaries in between. The factors residing in Aleppo usually had to write to each of these intermediaries, and had their letters copied and sent with the shipping vessels, which means instead of a single letter for each consignment it was rather a collection of letters involving individuals who lived in the trading settlements scattered across the Mediterranean, such as Scanderoon (modern day Iskenderun), Smyrna (Izmir), Tripoli de Soria (Tripoli in Lebanon), Galata in Constantinople (Istanbul), Livorno, and Marseilles to name just a few. It is important to keep in mind that these intermediaries were either fellow factors and freemen of the Company or local businessmen from Christian families employed by the Company as agents.[449] The most frequently addressed of these local agents are Jean Cheloub who worked in Ramla (in modern Israel), and the Jauna family based in both Cyprus and Tripoli de Soria. Furthermore, many of the letters sent to these individuals were not written in English but French or Italian displaying the Levant factors' foreign language skills, which was most likely a result of their mercantile training while being apprentices. Being literate in Italian, the commercial *lingua franca* in the Levant, was probably essential to the Company factors, as 'trade in the Levant almost invariably was conducted in Italian as it had been for several centuries', although the English factors had made frequent complaints that 'the Italian spoken in Aleppo was almost incomprehensible to anyone who knew correct Italian'.[450] Language learning, therefore, could be one of the reasons why an apprentice was required to spend the second half of his apprenticeship in the factories.

With these many intermediaries and the linguistic pluralism, the costs of imposing the regulatory copying and later the documentation of these letters could be much greater in comparison to a simple one-to-one correspondence in a single native language. The fact that the Levant Company managed to overcome such costs and maintained this tradition for over one and a half centuries demonstrates its ability to strike a balance between expanding in a vast area that was heterogenous both culturally and geographically and sustaining a certain level of efficiency at least in terms of management. The said balance for firms in general had been discussed back in the 1930s by a number of economists, one of them being Frank Knight who suggested that:

[449] Bruce Masters, Trading Diasporas and 'Nations': The Genesis of National Identity in Ottoman Aleppo, *The International History Review*, Vol.9, No.3 (Aug. 1987), p.358.
[450] Ibid.

> the relation between efficiency and size is one of the most serious problems of theory … But the question is peculiarly vital because the possibility of monopoly gain offers a powerful incentive to continuous and unlimited expansion of the firm, which force must be offset by some equally powerful one making for decreased efficiency (in the production of money income) with growth in size, if even boundary competition is to exist.[451]

Knight's suggestion was based on his indication that nearly all suppliers of economic goods and services enjoy some degree of monopoly within a certain market area, and competition is only effective at the boundary of market areas. It should be noted though that in terms of market area, Knight believed considering the geographical dimension only to be 'superficial' and suggested that it needed to include all fields of supply and demand. This notion is particularly interesting if the Levant Company is considered, because the Company, owing to its monopolistic charter, was exerting monopoly in terms of geography as well as the fields of supply and demand which, in turn, derived from its geographical monopoly. Traditionally, the Levant Company had been the major legal importer of a wide range of exotic goods such as silk, grogram, indigo, currants, certain apothecary drugs, spices, etc. until it began to face fierce competition from the East India Company, a fellow chartered company.[452]

In fact, during the early years of the East India Company, its link with the Levant Company was very close; it has even been suggested that the new company was partially an out-growth of the older one and they were using the same minute books at first.[453] The links between the Levant Company and the other active trading companies in 1698 can be visually displayed by the figure 4.2 of the last chapter. Indeed, the influence and presence of the Levant Company could be easily felt in the newly born East India Company. Its first governor Thomas Smith was also the governor of the Levant Company, and nearly 40 years later Sir Henry Carraway followed suit being the governor of two companies. In 1639, William Cockayne, the deputy governor of the Levant Company was also chosen as the deputy governor of the East India Company. At least 31 of the original members of the East India Company were Turkey merchants, and 64 names in the Levant Company's charter of 1605

[451] Frank Knight, *Risk, Uncertainly and Profit*, Preface to the Re-issue, London School of Economics Series of Reprints, No.16, xxi, 1933.
[452] Wood, *A History of the Levant Company*, p.31.
[453] Henry Stevens, *The Dawn of British Trade to the East Indies*, London: Stevens & Son, 1886, pp.vii-viii.

appear also in the East India Company's second charter of 1609.[454] These Levant merchants who invested both their capital and entrepreneurship in the East India Company seeking to augment their personal fortune probably did not expect this would greatly jeopardize the fortune of their mother company. By the end of the 17th century, the strife between these two companies had become clearer, as already mentioned in the last chapter, and one particularly disputed arena was the trade to Persia which was an important region for the Levant Company in silk import. Even then, it seemed that the Turkey merchants, or at least those at the core of the Company administration, were still not rejecting the promise of wealth provided by being East India adventurers.[455] Of the 84 Levant merchants who ever became directors of the Company during the two decades between 1686 and 1706, 33 were known to be stockholders of the East India Company from 1688 to 1699. Moreover, their investment was notably higher than average: in 1696, the average and median EIC stocks held by a total number of 25 Levant merchants who were elected directors between 1686 and 1706 were £1839 and £1101 respectively, much higher than the average and median number of the entire EIC, which were £1325 and £458; and this presence was even clearer in 1699, when 26 Levant directors held stocks of £1906 on average and £1303 on median compared to the general numbers of £1369 and £511.[456] Besides, nine other Levant directors were subscribers of the New East India Company in 1698, with an average investment of more than £3500.[457] If the scope of investigation was to be extended beyond the circle of administrators, the presence of the Levant merchants in the East India Companies, both old and new, could prove to be considerably greater, which makes a recognizable community in the EIC.

Therefore, it could be argued that in terms of the Turkey trade and the trade of certain key commodities such as silk, the Levant Company was holding a significant albeit declining monopoly over the English and London mercantile community – the Company was the trade and its members the traders. This communal monopoly greatly limited competition outside the boundary of the Company membership within the English and London mercantile community, which resulted in the potential tendency of the Company management towards monitoring and regulating internal exchanges rather than external competition, at least not

[454] Wood, *A History of the Levant Company*, p.31.
[455] Because the last charter received by the Levant Company was given in 1661, under which it traded until its dissolution in 1825, it is very difficult to make a complete list of Company members after the mid-17th century. See Wood, A History of the Levant Company, p.95. Although it is still possible to trace new admissions each year from the Company minute books, they did not give a full picture of the members who left the Company for whatever reasons.
[456] Minute books of the General Court of the Levant Company, 1685 – 1699 and 1699 - 1706, TNA SP 105/155 and SP 105/156; Lists of adventurers and stock account of the East India Company, 1631-1693 and 1694 – 1699, BL IOR/H/1 and IOR/H/2.
[457] SP 105/155 & 105/156, Roll of signatures of subscribers of the New East India Company, IOR/A/1/53.

from fellow Englishmen and Londoners. Such circumstances remind us of Sheilagh Ogilvie's remark, mentioned in the last chapter, that compared to the general economic efficiency, distributional conflict might be a much more important issue for chartered companies whose privileges were relatively better preserved. For the Levant Company, maintaining and enforcing internal order was probably the first priority of the management, as it was so closely related to the rent-seeking opportunities available for its members.

The apparent question to ask, therefore, is why did the Levant Company not keep expanding continuously and unlimitedly for more monopolistic rents? Generally speaking, multiple factors could have worked to check this infinite growth: the limited domestic market capacity, competition from foreign companies and merchants importing similar goods, and technical constraints which effectively limited the capacity of communication and shipping, just to name a few.[458] However, to answer this question elaborately, we have to look into the management dimension and investigate the organization of the Levant Company and its interplay with the Company members and factors.

The management constraints determining the size of a firm while maintaining its maximum and possible level of efficiency were the subject of lively scholarly discussion among Knight's contemporaries. Ronald Coase claimed that the nature of the firm is best characterized by its function of internalizing exchanges due to the existence of transaction costs. On the other hand, he also proposed that despite this utility, to maintain the efficiency of the firm its size will be checked by multiple constraints.[459] Nicholas Kaldor believed that a determining constraint on the size of firms is that 'You cannot increase the supply of co-ordinating ability available to an enterprise alongside an increase in the supply of other factors, as it is the essence of co-ordinating that every single decision should be made on a comparison with all the other decisions already made or likely to be made; it must therefore pass through a single brain'.[460] By 'a single brain', Kaldor did not suggested that the task had to fall upon a single individual. A collective governing body is also considered as a single brain. Given the state of technological knowledge, because the co-ordinators have to think and make decisions collectively, not only does division of labour not apply to the board of directors, enlarging it will also not increase the co-ordinating ability. Austin Robinson,

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[458] Douglass North disputed the notion widely held by economic historians that it was mainly due to technical advancements that the productivity of shipping greatly increased between 1600 and 1850. Instead, North argued that it was falling labour prices, and declining port time or rather institutional improvements increasing the ability to make efficient use of the state of technology, accounted for the growing productivity of shipping in the 17th and early to mid-18th centuries. See Douglass North, Sources of Productivity Change in Ocean Shipping, 1600-1850, *Journal of Political Economy*, Vol.76, No.5 (Sep. – Oct. 1968), pp.953-970.
[459] Coase, The Nature of the Firm, pp.394-395.
[460] Nicholas Kaldor, The Equilibrium of the Firm, *The Economic Journal*, Vol.44, No.173 (Mar., 1934), p.68.

although generally concurring with Kaldor by suggesting that the British cabinet could not allow the Secretary of State for India to make the Cabinet's decisions with regard to India, also presented his own constraint.[461] Robinson borrowed the notion elaborated by Mooney and Reiley that it is of the essence of any organization that it should contain a scalar chain of authority, and indicated that the scalar chain of an organization 'beyond a point must know less and less about more and more', as their 'knowledge of the detail of a problem is an essential condition of its solution'.[462] Therefore, the increasing size and enlarging field of business of a firm present a powerful check to the knowledge of its co-ordinators. In addition, Robinson also believed that 'every increase in size beyond a certain point must involve a lengthening of the chain of authority', and the scalar chain of authority cannot be indefinitely extended, thus 'at some point the increasing costs of co-ordination must exceed the declining economies in this and other spheres'.[463] Kaldor and Robinson's suggestions did not remain unopposed. N. S. Ross had thoroughly and critically reviewed their proposed constraints of management on the size of firms. He argued that Kaldor's proposition rested on a gross over-simplification of the process of co-ordination in group organization, and in reality, almost all organizations except for the smallest ones possess 'a multi-centred system of co-ordination in which a supreme co-ordinator is served by and dependent on a varying number of subordinate co-ordinators'.[464] Therefore, by establishing self-functioning subordinates with such a delegation system, not all problems have to be referred to the single-centred body, nor does the co-ordinating and decision making process have to be carried on by it, and the requirement of knowledge as such could also be mitigated for the top managers. In addition, Ross agreed that the scalar chain of the firm cannot be indefinitely extended, but he also argued that such a concept was only valid with its unrealistic presumptions of 'perfectly elastic supply of the factors of production and a perfect market for all levels of output', which were arguably better constraints on the size of firms.[465] Ross's counter arguments could be summarised that the management constraints can be abated by a more decentralized scalar chain, and when this chain cannot expand infinitely, there are better constraints on the size of firms.

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[461] Austin Robinson, The Problem of Management and the Size of Firms, *The Economic Journal*, Vol.44, No.174 (Jun., 1934), p.249.
[462] Ibid, 253-254.
Mooney & Reiley, *Onward Industry!: the principles of organizations and their significance to modern industry*, Vol.1, New York: Harper and Bros, 1931, pp. 31 et seq.
[463] Robinson, The Problem of Management, p.255.
[464] N. S. Ross, *Management and the Size of the Firm*, The Review of Economic Studies, Vol.19, No.3 (1952 - 1953), p.149.
[465] Ibid, p.151.

The constraints proposed by Kaldor and Robinson, to a certain extent, did apply to the Levant Company. The everyday administration and major decision making process of the Levant Company were carried by the Court of Assistants and the General Court which were mainly made up of and presided over by the chief officials of the Company: a deputy governor, a treasurer, a husband, and 18 directors; the position of governor of the Company, although formerly elected from 'prominent merchants who stood high among the mercantile aristocracy of London', was, by the late 17th century, 'slowly converted from an active executive position into a dignity largely honorary and titular'.[466] Therefore, although the Company had no meeting place of its own for the larger part of its lifespan – during the late 17th century to early 18th century it used the company halls of the Ironmongers' and the Pewterers' Companies– the Company affairs, from diplomatic missions to the Ottoman court and dealings with the Parliament to new admissions, internal regulations and shipping arrangements, were administered by a single-centred governing body which met regularly.[467] Furthermore, the size of this body remained unchanged from the time of the first charter in 1605 to the dissolution of the Company in 1825.[468] This suggests that, at least in terms of the number of offices, the supply of co-ordinating on the decision making and managing level was fixed for the Levant Company during its entire lifecycle. More importantly, although subject to annual election, the chief offices were very frequently re-elected. In fact, a proposal was filed in 1681 which called for the governor, deputy governor, treasurer, and husband to be eligible for office for only two years; but eventually, the proposal was not passed.[469] Between 1686 and 1706, only three individuals held the office of deputy governor, with Gabriel Roberts in the office from 1690 onwards; only two individuals, John Harvey (1686 - 1695) and William Fawkener (1696-1706), held the office of treasurer, and again two, William Fawkener (1686-1695) and Edmund Prideaux (1696 - 1706), held the office of husband. In comparison, the Board of Directors was relatively less centralized, but still had a great tendency to be confined to a small group of merchants. During the same period, 377 directory offices were occupied by only 84 individuals.[470] In addition, as shown in the following figure, the 46 most frequently elected merchants accounted for 320 or approximately 84.88% of the total directory offices. Apparently, the Board of Directors was, to a great extent, dominated by a small group of merchants who were re-elected very

466 Wood, *A History of the Levant Company,* pp.205-208.
467 SP 105/155, 105/156.
468 TNA, EXT 7/6.
469 SP 105/154, p.244.
470 There were supposed to be 18 directors elected each year, but the Company only elected 17 individuals in 1686.

frequently. For example, Sir Samuel Moyer was elected director every year during this 21-year period; John Morice, the master of John Harvey was re-elected 15 times, and Sir Thomas Vernon 10 times. Such a centralized system made the governing body of the Levant Company an inner circle of a handful of prominent Turkey merchants.

Furthermore, the scalar chain of the Company consisted of consulates, vice consulates and factories was not extending in proportion to the rapidly expanding Levant trade in the 17th century. In the early years of the Company, consulates and factories were established in a number of places across the Mediterranean including Chios, Patras, Tripoli, Naples, Alexandria, Algiers, Cairo, Zante, Leghorn, etc.; however, by the late 17th century, many of these bases were either relocated or abolished with only a few well-functioning trading posts left, such as Aleppo, Smyrna, and Constantinople.[471] It could be argued that rather than extending its scalar chain, the Company was consolidating its overseas administrative assets in order to reduce the costs of co-ordination.

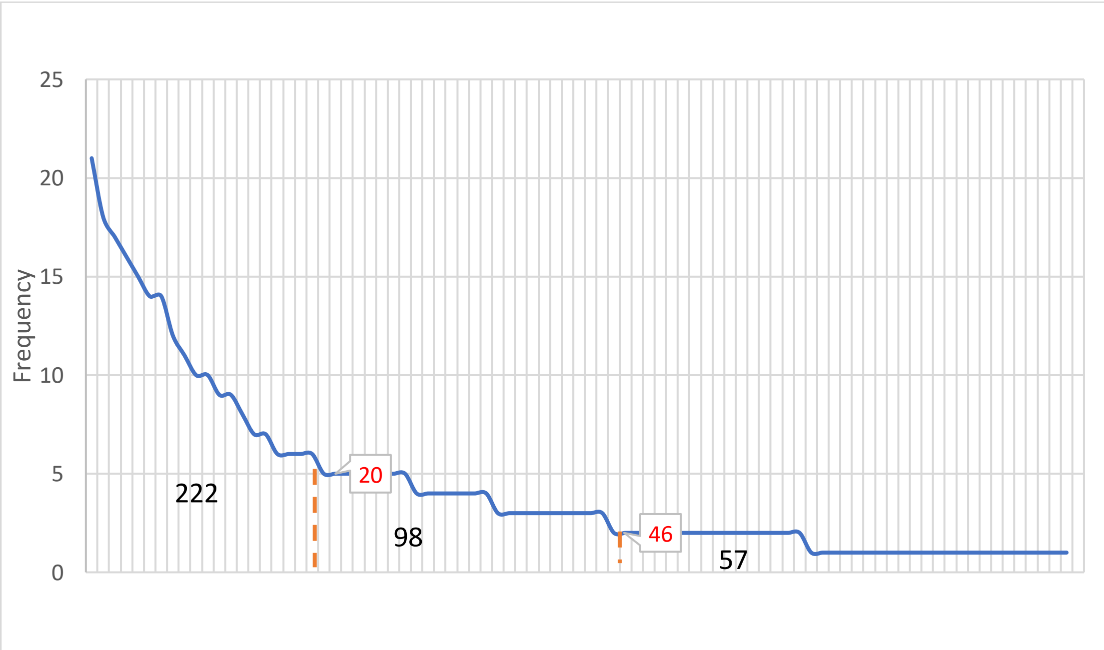

Figure 5.1 The re-election frequency of the Levant Company directors, 1686-1706

Source: SP 105/155, SP105/156

Given the above discussion, it seems that the size of the Levant Company was substantially constrained by its organization. However, it should be kept in mind that the

[471] Epstein, *The Early History of the Levant Company,* pp.214-216.
Wood, *A History of the Levant Company,* pp.59-79.

Company was not organized in the same way as a modern firm on which Kaldor and Robinson based their investigations. Instead, the Levant Company was a regulated company, very similar to the traditional guilds, and 'provided an organizational mechanism for groups of businessmen to negotiate with political elites for exclusive legal privileges that allowed them to reap monopoly rents'.[472] It was under such a superstructure that the Company, again not very different from the medieval guilds, 'functioned as a nexus of contracts, weaving separate agreements with the individual merchants and the cities in which its members traded into a system whose parts were mutually supporting'.[473] Therefore, it could be argued that the Levant Company comprised all the contractual relations of its members – or English Turkey merchants – under a set of pre-negotiated contracts with both the English government and the Ottoman court. In comparison to the joint-stock companies, probably the most prominent feature of these contractual relations of an early modern regulated company was that instead of being dominated by impersonal relations that converted private capital to the public domain, public resources were converted into private rent-seeking capabilities maintained by relatively more personal relations. This feature, although shaped the management structure of Company thus, to a large extent, defined the boundaries of its expansion, worked in tandem with its rent-seeking agenda giving the Levant Company a significant endogenous constraint on the size of its enterprise.

However, apart from these negative constraints, the Company also enjoyed some positive ones, and with the balance of these forces, it achieved a balance of efficiency and rent-seeking. Firstly, the chief officials of the Levant Company largely consisted of seasoned Turkey merchants who either had served their time in the Levant, which granted them first-hand trading experiences in the area, such as John Hanger, or had their apprentices and family members stationed in the Ottoman territories and traded on their accounts, such as Sir Gabriel Roberts. This would not only secure their knowledge of the trade, but also increase the supply of co-ordinating given a fixed set of other factors. John Hanger was elected director of the Levant Company 12 times between 1694 and 1706. He was sent to the Levant in the 1680s and worked in Aleppo before leaving for Tripoli di Soria, a city and trade post also situated in Syria, in 1690, and came back to England shortly after and climbed up the mercantile ladder ever since.[474] While in Aleppo, Hanger was probably working closely with Sir Gabriel Roberts. According to the letter book of Rowland Sherman, an apprentice of Roberts, he was

[472] Ogilvie, The Economics of Guilds, p.170.
[473] Avner Greif, Paul Milgrom & Barry Weingast, Coordination, Commitment, and Enforcement: The Case of the Merchant Guild, *Journal of Political Economy*, Vol.102, No.4 (Aug., 1994), p.772.
[474] TNA SP 110/16.

first sent to the factory in 1688 on the order and instruction of his master to live and work with John Hanger.[475] Sir Gabriel Roberts' trading network in the Levant was already well-functioning as early as 1662 when he himself was only 33 years old. In the same year, John Verney, another apprentice of Roberts, was sent to the Aleppo factory to live and work with Gabriel's brother William Roberts, a pattern very similar to Rowland Sherman's case.[476] And it was this business pattern that kept Sir Gabriel Roberts - frequently elected directors and from 1690 the deputy governor and de facto mercantile leader of the Levant Company, as by this time the governors were usually statesmen appointed by the Crown - in touch with the on-going business in the Company factories. Thanks to their personal mercantile networks, the co-ordinators were already aware of business, social and political developments in the Levant before these reached the General Court to be processed by the central governing and co-ordinating body of the Company, and these co-ordinators usually had working experience in the factories themselves. The business networks used to enhance the organizational co-ordination were further reinforced by more personal and formal ties at the same time. John Hanger was born into the family of a wealthy Levant merchant George Hanger, and his mother was the sister of Sir Gabriel Roberts.[477] Besides the connection with the East India Company, the Bank of England community also had a strong presence among the Levant Company administrators. Sir John Houblon, the first governor of the Bank, was elected director of the Levant Company five times between 1691 and 1697. At least another three Bank of England governors also served as Levant Company directors between 1686 and 1706 including Francis Eyles (elected once), Sir Gerard Conyers (elected 14 times) and John Hanger. For a short period between 1715 and 1721, the three consecutive Bank governors – Peter Delmé, Gerard Conyers, and John Hanger - were all closely involved in the Turkey trade. Peter Delmé was a merchant with business interests in the trade to Turkey and Portugal, and his position in the Tukey trade was further strengthened by marrying the daughter of William Fawkener, a leading Levant merchant and senior administrator of the Company who took the role of Husband and later Treasurer during the two-decade period.[478] William Fawkener's eldest son William Fawkener Junior also became the governor of the Bank in 1743. Therefore, the co-ordinators of the Levant Company had friends and

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[475] Ibid.
[476] Margret Verney. *Memoirs of the Verney Family from the Restoration to the Revolution, 1660-1696*, Vol.4, p.146, London: Longmans, 1899.
[477] Anderson, Sonia P., Roberts, Lewes (1596-1641), *Oxford Dictionary of National Biography,* https://www.oxforddnb.com/view/10.1093/ref:odnb/9780198614128.001.0001/odnb-9780198614128-e-23766?rskey=X8Rzn7&result=3, (accessed 8th September, 2019)
[478] TNA PROB 11/551/344.

colleagues from other major trading companies. They had more regular contacts beyond the usual business of the Levant Company, their knowledge and experiences were not limited to one specific trade and could extend to financial expertise and joint-stock management. It is tempting to assume that these merchant elites were probably capable of achieving a certain level of co-ordination of the scope of the overall London overseas trade.

Secondly, the correspondence of factors primarily consisted of letters between personally acquainted individuals. Forty-three out of 106 letters of Rowland Sherman between 1683 and 1690 were sent to his brother William Sherman in Smyrna; and another 13 letters were sent to his friend George Brandon who also operated in Smyrna before he later became the Consul of Aleppo.[479] Samuel Harvey and John Brailsford, both apprentices of William Ivatt, formed a partnership in the late 17th century. A majority (52 out of 138) of their letters during 1695-1699 were sent to their master.[480] Presumably on his own account, Samuel Harvey had 330 letters documented by the Company, and 22 were sent to his brother John Harvey in London who was deeply involved in the management of the Company.[481] Probably noteworthy is that Harvey sent eight letters to a Mary Ivatt, who was most likely to be John Ivatt's widow according to his will probated in 1694, and was later addressed as Mary Mundy after her second marriage.[482] Although the content of these letters mainly involved the settlements of the now deceased John Ivatt's accounts, it also displayed Mary's own adventures which included but were not limited to two bales of cloth and one bale of sherbafee[483] - a variation of fine white silk from Persia.[484] In John Ivatt's will, Mary was nominated the sole executrix, and she was to be assisted by two of John's 'worthy friends', Edward Bovey and Edmund Dunch who were also Samuel Harvey's major principals, receiving 21 and nine letters respectively from him. This demonstrated that women could play a non-negligible part in the Levant trade, or perhaps even in early modern London overseas trade in general. More importantly, it showed the mercantile network of an Aleppo factor established and maintained by personal relations. Furthermore, this network of Samuel Harvey's was linked to that of Rowland Sherman by their common contact – William Sherman. Forty of Harvey's letters were addressed to a partnership 'Evans and Sherman' in

479 TNA SP 110/16.
480 TNA SP 110/19.
481 TNA SP 110/20.
482 TNA PROB 11/419/47.
483 SP 110/20, folio 16/1.
484 Charles King, *The British Merchant, or, Commerce Preserved*, *Vol.2,* London: John Darby, 1721, p.218.

Galatea, Constantinople. According to William Sherman's will, probated in 1703 in Galatea, this partnership most likely consisted of him and his 'good friend' Henry Evans.[485]

Furthermore, the organizational structure of the Company could be utilized to its and its members' advantage with a considerable level of flexibility. One case concerning an incident that 'nearly brought down the Aleppo factory altogether' casts light on how this organizational flexibility could benefit both individual members and the Company as whole in averting unwanted liabilities.[486]

As in any other long-distance trade, seasonal transactions and business uncertainties made the Levant factors' needs for money constantly fluctuating.[487] This is particularly true for the Aleppo factory because Aleppo is an inland city which needs Scanderoon (Iskenderun) as its port for import and export trade. Even if the caravan safely reached Scanderoon, hazards did not stop because the port was 'an open roadstead in which merchant shipping was always liable to attack by pirates and privateers'.[488] Therefore, an obvious solution was maintaining a reserve of cash, which opened the window for credit and moneylending. When trading in the Levant, Sir Dudley North obtained 'superabundant profit' in loans of money and usury, and interest could go as high as 20% to 30%.[489] Such high profit margins were made possible mainly because the Ottoman laws restricted local Muslims from practicing usury and the European traders were usually backed by their working capital, the investment of their principals, and their trading organizations and therefore possessed great advantages over non-Muslim Ottoman competitors.[490]

Samuel Harvey was involved in a lucrative moneylending business of his own. By 1705, Harvey's business went terribly wrong, and to make the account right he borrowed substantially from the local merchants. When Harvey failed to settle his financial problems and the local Muslim businessmen began to put the matter in front of the Qadi, his fellow merchants in the Aleppo factory rallied to his claim that he was deceived by a 'guileful Muslim' who not only denied his debts owed to Harvey but accused Harvey of owing him money; eventually, 'the factory voted to treat this as an *avania* visited on the English nation as a whole and to bail Harvey out with public funds'.[491] However, when the consul George

[485] TNA PROB 11/471/383.
[486] Mather, *Pashas,* p.127.
[487] R. Davies, *Aleppo and Devonshire Square*, p.207.
[488] Wood, *A History of the Levant Company*, p.76.
[489] Roger North, *The Lives of the Norths*, Vol.2, London: George Bell & Sons, 1890, pp.72-73.
[490] Bruce Masters, *The Origins of Western Economic Dominance of the Middle East: Mercantilism and the Islamic Economy in Aleppo, 1600-1750*, New York: New York University Press, 1988, p.160.
[491] Mather, *Pashas*, pp.127-128.
Avania was a tax or fine levied on foreigners by Ottoman authorities, and this was usually considered by the local English community as arbitrary and extortionate.

Brandon, a personal friend of Rowland Sherman who was also at the Aleppo factory at this time and whose brother maintained close business relationship with Harvey, went to defend Samuel Harvey in front of the court, he found that quite a few furious local businessmen were waiting on the plaintiff's side. Brandon wrote that 'If we had not rescued him, I doubt not that they would have torn him in pieces'.[492] The trouble did not end for Harvey as in August 1706, a Turkish merchant Hadgi Ishmael even travelled to London to petition the Levant Company for Harvey's debts of 5,262 Lion dollars, which according to the Levant Company official exchange rate at the time was nearly equivalent to £1000, because Harvey claimed that the amount was for the use of the company.[493] To strengthen his case, when he travelled through North Africa and Gibraltar, Ishmael also acquired the recommendation of the Dey of Algiers and the company of the ambassador of the emperor of Fez and Morocco, giving his petition a diplomatic veil.[494] However, despite all these effort and the fact that the Company found that debts 'may well be true, since Harvey owes considerable sums to various people', it still rejected Ishmael's petition on the ground that the Levant Company 'is not a joint-stock company, but every member trades on his own behalf' so the allegation that 'part or whole of the goods bought by Harvey from Ishmael were for the use of the company is utterly untrue', and suggested the Queen would not pay such debt should Ishmael turn the petition to her for 'fear of creating a precedent of the worst consequence'.[495]

Avner Greif proposed that an institution of community responsibility system in which two communities would have to execute impartial justice to each other to enforce contractual obligation was greatly conducive to the birth of impersonal exchange in contrast to personal exchange which is built on personal qualities such as reputation and family backgrounds among individuals.[496] Samuel Harvey's case demonstrated that thanks to the organizational structure of the Levant Company, English factors and Turkey merchants enjoyed peculiar advantages over their Ottoman business partners. This is partly due to the fact that the Islamic inheritance system which raised the costs of dissolving a partnership following a partner's death kept Ottoman commercial enterprises small and ephemeral which in turn impaired organizational transformations that led to big trading organizations thus giving the European

[492] TNA SP 110/23.
[493] Michael Talbot, *British-Ottoman Relations, 1661-1807: Commerce and Diplomatic Practice in Eighteenth-Century Istanbul*, Woodbridge: The Boydell Press, 2017, p.97.
[494] SP 34/8, No.36.
[495] Ibid.
[496] Avner Greif, History Lessons: the Birth of Impersonal Exchange: the Community Responsibility System and Impartial Justice, *Journal of Economic Perspectives*, Vol.20, No.2, Spring 2006, pp.221-236.

merchants a distinctive organizational advantage.[497] When Harvey's financial difficulties were exposed, he was able to hide behind the Company factory which decided to rescue their colleague and countryman from 'injustice' imposed by foreign authorities. And the dual identities of the consul of Aleppo being both a Turkey merchant himself deeply involved in the mercantile community of the local factory and a diplomatic representative of the Crown's government gave individuals like Samuel Harvey a further leverage in similar incidents. When it turned out that the accusations against Harvey were probably mostly true, the Company that used to provide collective protection for its members now could simply disregard its collective responsibility due to its business practice of being a regulated company. Therefore, by using their organizational advantage flexibly, the Levant Company could easily avert a crisis caused by asymmetric information and contractual fraud. Samuel Harvey himself was later prosecuted in Turkey and thrown to prison but was eventually set free after his principal reached an agreement with his creditors.[498] On the other hand though, Hadgi Ishmael was facing a very different fate: he suffered a fit of sickness after his 14-mouth journey to England; he was last heard of in the State Papers being destitute and waiting to present his petition to the Queen – an undesirable ending for a wronged creditor due to the lack of organizational protection from one breaking of contractual obligation.[499]

II. Exchange Alley

1. The Coffee Houses

In 1652, the first coffee house in London, which is argued by some to be the first coffee house in the entire Christendom, was opened by a young Greek man called Pasqua Rosee in St. Michael's Alley Cornhill in close proximity to the Royal Exchange.[500] Only after that did this black beverage start to be acknowledged and later embraced by the English public, especially the virtuosi and merchants. The habit of drinking coffee and indeed drinking coffee with the company of others in a dedicated establishment was introduced to the English from

[497] Timur Kuran, The Islamic Commercial Crisis: Institutiional Roots of Economic Underdevelopment in the Middle East, *The Journal of Economic History*, Vol.63, No.2 (Jun., 2003), pp.414-446.
[498] SP 105/156.
[499] SP 34/8, No.36.
[500] M. Ellis, *The Coffee House*, p.29.
The question which was the very first coffee house in England should is still debatable. Bryant Lillywhite, based on the diary of the Oxford antiquarian Anthony Wood, suggested that the earliest known English coffee house was established by a Jew in Oxford in 1650. But this suggestion was strongly disputed by Markman Ellis, as no evidence could support Wood's ambiguous claim. See Bryant Lillywhite, *London Coffee Houses, A Reference Book of Coffee houses of the Seventeenth Eighteenth and Nineteenth Centuries*, London: George Allen & Unwin LTD, 1963, p.17.

the Ottomans who in turn learned from the Arabs.[501] The Turkish origins of English coffee houses can be easily detected from the close connection with the Levant Company of Rosee's new shop whose sign was said to be an image of himself, dressed in Levantine clothing.[502]

Pasqua Rosee was a resident of Smyrna when Daniel Edwards employed him as a manservant.[503] Edwards back then was a member of the Levant Company operating in the local Company factory.[504] Employing locals from various religious communities as servants was a common practice among Turkey merchants and Levant factors. Besides the usual domestic responsibilities, these servants could also serve as personal assistants and support their masters' business with their knowledge of foreign languages and local customs.[505] Paul Rycaut, the English consul in Smyrna in the 1660s advised that Greek or Armenian servants were both cheaper and better than English ones: a good man was easily worth his wages of 50 lion dollars a year with board, free bread and annual liveries or clothing.[506] 50 lion dollars each was the exact amount Henry Vernon bequeathed to his servant Anestas and slave Andrea whose names both suggested Greek origins in one codicil to his will made in 1692.[507] Vernon granted Andrea his freedom unless he decided to remain in the service of Henry's brother George in which case George should bring Andrea back to England and take good care of him. Although Rosee was not a slave, when Edwards returned to England from the Levant in 1651, he brought Rosee with him. Daniel Edwards married the daughter of Thomas Hodges, a fellow Turkey merchant, court assistant in the Levant Company, served on the committee of the East India Company, and an alderman of the City, on 31 March 1652.[508] Apparently, the culture of coffee houses that flourished in Smyrna, which housed more than 40 establishments in the mid-17th century was also brought back to England with Edwards and his servant Rosee.[509] A contemporary writer John Houghton remembered that 'Hodges uses with great delight to drink coffee with Edwards, so it is likely, that this Edwards was the first that brought coffee into England'.[510] It did not take too long before their merchant friends,

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501 Edward Robinson, *The Early English Coffee House, with an Account of the First Use of Coffee*, Christchurch: The Dolphin Press, 1972, p.18.
502 M. Ellis, *The Coffee House*, p.32.
503 Bennett Alan Weinberg, *The World of Caffeine: the Science and Culture of the World's Most Popular Drug*, London: Routledge, 2004, p.154.
504 SP 105/151, p.186.
505 Simon Mills, *A Commerce of Knowledge: Trade, Religion, and Scholarship Between England and the Ottoman Empire, 1600-1760*, Oxford: Oxford University Press, 2020.
506 Sonia Anderson, *An English Consul in Turkey: Paul Rycaut at Smyrna, 1667-1678*, Oxford: Clarendon, 1989, p.11.
507 PROB 11 426/85.
508 M. Ellis, *The Coffee House*, p.25, p.28.
509 Daniel Goffman, 'Izmir: from village to colonial port city', in *The Ottoman City between East and West: Aleppo, Izmir, and* Istanbul', Edhem Eldem, Daniel Goffman and Bruce Masters (eds.), Cambridge: Cambridge University Press, p.79.
510 John Houghton, A Discourse of Coffee, read at a Meeting of the Royal Society, *Philosophical Transactions* (1683-1775), Vol.21 (1699), p.312.

especially those Levant merchants and factors who had served their time in one of the Company factories and were already acquainted with this new Turkish beverage, started to gather at their house to share some business stories, personal anecdotes, and interesting adventures from the past years in the Levant over a cup of coffee. In fact, this new fashion in Edwards' meeting room may have caused some inconveniences, as it was 'drawing too much company to him'.[511] Combined with this new coffee-drinking culture beginning to spread beyond his house as 'it grew more in use in several private houses', as a seasoned merchant Edwards must have smelt the opportunities of business and profit.[512] It seemed that introducing the coffee houses that prospered in the Ottoman Empire to England was the obvious decision to make. However, having just finished serving his time in the Levant and marrying into a mercantile house prominent in both Levant and East India trade, Edwards was probably expecting a burgeoning career as a Turkey merchant. Not to mention that being a Company man, he was bound to the oath of remaining a 'mere merchant' whereas operating a coffee house was considered to be a retail business. Therefore, the natural solution would be sponsoring Pasqua Rosee - Edwards' faithful servant who was knowledgeable both in coffee making and, very likely if he was also involved in his master's mercantile enterprises, in running a business, which led to the advent of the very first London coffee house. Because this new establishment was practically set up by a Levant merchant to quench the needs of his own community and people of a similar trade who hopefully would share the taste, it was chosen to locate it in St. Michael's Alley, one of the northern passageways between Cornhill and the street, very close to the Royal Exchange where London merchants gathered and met on a daily basis.

The story of Rosee's coffee house is essential to this discussion mainly because it reveals the crucial connection between London mercantile community and certain public places – as shown in this particular case, the coffee house was an extension of a merchant's meeting room, both in term of space and socioeconomic network. In the early modern era, or more specifically for this study, the 17th and early 18th century, the lack of modern information and communication technologies required the mercantile class to have a physical space for meeting and socializing to keep up with the latest and reliable commercial information. This is a legitimate need on the merchants' part to reduce transaction costs, not only because they require space for information, these public establishments in the form of coffee houses and the Royal Exchange also provided them with places to strike a bargain. The

[511] William Oldys, *Notes on Trees*, BL ADD MS 20724, 90r.
[512] Houghton, A Discourse of Coffee, p.312.

Royal Exchange, since the completion of its first building in the late 16th century, had been 'the most important single gathering place for merchants in early modern London'.[513] The implication of the London coffee houses could be, in comparison, more complicated and presenting a subtler reflection on the mercantile network concerning early modern London merchants and the Levant community in particular. Even before coffee houses reached the shores of England, they were already gaining popularity as a meeting place. During the visit to the Ottoman territories in the early 17th century, Pedro Teixeira, a Portuguese traveller, noticed that the Turks' and Persians' belief in the beverage's medicinal properties may not be the reason for the popularity of the coffee houses. 'Only their custom induces them to meet here for conversation, and use this for entertainment; and in order to attract custom there are here pretty boys, richly dressed, who serve coffee and take the money; with music and other diversions.'[514] Indeed, the Islamic customs forbids Muslims to consume alcohol, which might have encouraged the locals to use coffee as a substitute.[515] The same concern might be applicable to England by the mid-17th century to a certain extent, as alehouses and taverns were associated by Puritan advocates and City authorities with licentiousness and immorality.[516] However, the participation of Turkey merchants could potentially be more important in supporting coffee in the competition with wine and beer in the neighbourhood of Exchange Alley. The role of Daniel Edwards in the foundation of Rosee's coffee houses has already been discussed. After Daniel came back to England, his younger brother Joseph took over the family business which became the most prominent trader in Smyrna for most of the 1650s and 1660s, so much so that Joseph was made acting consul during a vacancy 1658-9 and on one occasion was vested by the Grand Vizier as the only merchant in a diplomatic delegation to Constantinople.[517] Joseph's house was the social centre for the Franks, European merchants, at Smyrna, holding a concert or a ball followed by feasts almost every night. One traveller recorded the extravagant events and the taste of a 'Dish of Caffe' served in them, which, in a way, made the meeting room at Edwards' also function as a coffee

[513] Glaisyer, *The Culture of Commerce in England,* p.27.
[514] Pedro Teixeira, *The Travels of Pedro Teixeira*, tans, William F. Sinclair, Hakluyt Society, ser. 2, no.9, London: Hakluyt Society, 1902, p.62.
[515] In fact, the word 'coffee' derives from an Arab word *qahwa*, which might formerly apply to a certain type of wine. See *Oxford English Dictionary*, https://www-oed-com.ezproxy.lib.bbk.ac.uk/view/Entry/35784?rskey=B8Sp6m&result=1#eid, (accessed 8th June, 2021)
[516] Christopher Durston, 'Puritan Rule and the Failure of Cultural Revolution, 1645-1660' in *The Culture of English Puritanism, 1560-1700*, Christopher Durston and Jacqueline Eales (eds.), Basingstoke: Macmillan Press, 1996, pp.210-233.
[517] Anderson, *An English Consul in Turkey*, p.123, p.126.
R. Anderson (ed.), *The Journal of Sir Thomas Allin, 1660-1678*, Volume 1, London: The Navy Records Society, 1939, p.22.

house.[518] Therefore, it could be argued that coffee drinking had deep root in the social lives of the Levant mercantile community. It was the company of these individuals that inspired Daniel Edwards to sponsor his servant for a brand-new coffee house in Cornhill where the same crowd could recollect their old habits cultivated in the Levant before or after their visits to the Turkish Walk in the Royal Exchange. The culture of coffee houses hence already existed among the Turkey merchants as an offshoot of their regular commercial and social lives, which in turn was an organic part of the mercantile network woven by the Levant Company for the Levant trade.

There was another connection between Rosee's coffee house and its major sponsor Daniel Edwards. As expected, the City had a series of regulations concerning the victualling business. In Cornhill as well as anywhere else within the City, operating a tavern or alehouse required a licence from the City authorities.[519] Because of the novelty of the commodities sold by Rosee, his competitors chose to petition the Lord Mayor on the ground that he was, in legal terms, an alien and not a freeman of the City.[520] This accusation, however, could easily be averted by Rosee's sponsors, as Edwards was a member of the Drapers' Company and his father-in-law Thomas Hodges was a Grocer.[521] They eventually set up Christopher Bowman, Thomas Hodges's former apprentice, as Rosee's partner to legalize the business.[522] Consequently, without the protection of Edwards and Hodges wielding the shield forged by their respective livery companies, the history of London coffee houses would have been rewritten.

In 1739, William Maitland counted 551 coffee houses in London, and although greatly dwarfed by the 8000 gin shops, these coffee houses were unevenly distributed favouring wealthy districts such as St James's and Exchange Alley.[523] In his survey of the City published in 1720, John Strype remarked that 'The Great Coffee houses that stand there' made Exchange Alley 'a place of very considerable concourse of merchants, seafaring men

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[518] Michael Brennan (ed.), *The Travel of Robert Bargrave, Levant Merchant (1647-1656)*, London: The Hakluyt Society, 1999, pp.73-74.
[519] LMA COL/AC/06/008, Return of taverns, by wards, giving the sign and street but not the name of the victualler, Mar 1663, and other papers relating to victuallers and licensing, c.1626-1686.
[520] Houghton, A Discourse of Coffee, pp.312-313.
[521] Apprentice of Daniel Edwards in the Drapers', ROLLCO https://www.londonroll.org/event/?company=drp&event_id=DREW1483 (accessed 16th Feb 2020). Note that the surname of Daniel's master was also Edwards, so presumably they were related. And the said master was recorded as a member of the Turkey, East India, and Eastland Company.
For the membership of Hodges, see Grocers' Company Admissions from 1346 onwards, LMA CLC/L/GH.
[522] Markman Ellis, Pasqua Rosee's Coffee House, 1652-1666, *The London Journal*, Vol.29, Issue 1, 2004, p.9.
[523] William Maitland, *The History of London: from its Foundation by the Romans, to the Present Time*, Book II, London, 1739, pp.519-520; In contrast, 2,034 different coffee houses ever operated in the City between the mid seventeenth century and the mid nineteenth century, see Bryant Lillywhite, *London Coffee Houses*.

and other traders' frequented by 'brokers, and such as deal in buying and selling of stocks'.[524] Therefore, it was no surprise that when Samuel Pepys decided to spend an otherwise idle morning in one of the coffee houses in 1663, he and his companion were flooded by talks 'about the Turk's proceedings, and that the plague is got to Amsterdam, brought by a ship from Argier; and it is also carried to Hambrough'.[525] These news might be simply interesting gossip for Pepys, but to those engaged in maritime business, for whom political frictions and endemic diseases had the great potential to influence prices, they were vital to their livelihoods. Many merchants would visit the coffee houses on a regular basis outside the Exchange hours. Thomas Rastell, the first clerk of the Hudson's Bay Company, developed a habit of attending 'every Tuesday and Thursday, from Twelve to One o'Clock at Mr Garraway's Coffee-house; and afterwards the same days in the West India Walk upon the Exchange'.[526] As a keeper responsible for recording the running of the Company, Rastell's visit to Garraway's may have had a very practical purpose, because the Hudson's Bay Company used the establishment as an auction house for furs.[527] In fact, Garraway's was a popular venue for auctions of a variety of goods including manufactured goods, luxury commodities, entire ships and even African slaves.[528] If face-to-face conversations played a crucial role in the setting of market prices, auction would be a much more extreme method by competitive bidding sitting somewhere between negotiation and posted prices.[529] Therefore, apart from being another information hub, the coffee houses provided services that were not exactly available in the Exchange building itself. The former proprietor of Garraway's was Walter Elford who was already running a coffee house called the Great Turk known for holding auctions of imported cloth; he acquired the lease for his new coffee house at a premium of £200 and a rent of £100 per annum in 1664.[530] It could be assumed that Elford was willing to pay such a high price because he saw the potential gains of offering the auction service to the mercantile community.

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[524] John Strype, *Survey of the Cities of London and Westminster*, Vol.1, ii, London, 1720, p.149.
[525] *Samuel Pepys' Diary*, Monday 19 October 1663.
[526] *The London Gazette*, Issue 865, 5 March 1673. See also Deidre Simmons, *Keepers of the Record: the History of the Hudson's Bay Company*, Montreal: McGill-Queen's University Press, 2007, p.23.
[527] E. E. Rich (ed.), *The Minutes of the Hudson's Bay Company, 1671-1674*, Toronto: Champlain Society, 1942, p.8.
[528] M. Ellis, *The Coffee House*, p.170.
[529] Alex Preda, In the Enchanted Grove: Financial Conversations and the Marketplace in England and France in the 18th Century, *Journal of Historical Sociology*, 14:3 (September 2001), pp.276-307.
See also Paul Milgrom, '*The Economics of Competitive Bidding: a Selective Survey*', in Leonid Hurwicz, David Schmeidler, & Hugo Sonnenschein (eds.), *Social Goals and Social Organization: Essays in Memory of Elisha Panzer*, Cambridge: Cambridge University Press, 1985, p.261.
[530] *Mercurius Publicus*, no.49, 4-11 December, p.802; BL, Add Ms 5100, *Decisions of the Commissioners for Settling the City Estates after the Great Fire of London*, Vol.18, ii, fol.166.

Auction was not the only instrument provided by the coffee houses that were beneficial to the merchant class. These establishments were also known for their specialized business periodicals which in turn facilitated specialized business services. The first known marine list, Lloyd's list, was published by Edward Lloyd, the proprietor of Lloyd's coffee house, from as early as January 1692; and the content was not as described in his early running title: *Ships Arrived at, and Departed from several Ports of England … [and] An Account of what English Shipping and Foreign Ships for England, I hear of in Foreign Ports*.[531] Since these news were particularly important to marine insurance, Lloyd's quickly became the centre for marine insurance brokers and underwriters.[532] Such services were essential to managing uncertainties and risk for overseas merchants whose fortunes hung in the balance and were subject to each successful voyage. However, under the Bubble Act of 1720, corporate underwriting was prohibited, therefore the underwriters clustered at Lloyd's were all operating on a private and individual basis governed by informal rules and reputation mechanisms, which potentially created a 'lemons problem' that put British corporations at a disadvantage in evaluating risks.[533] In the same year that Lloyd published his first list, John Houghton remarked that Londoners 'may, every noon and night on working days, go to Garraway's Coffee House, and see what prices the actions bear of most companies trading in joynt-stocks'.[534] The stock-jobbing in Exchange Alley was facilitated by the circulation of stock exchange currents such as Houghton's periodicals and fuelled by the financial revolution at the end of the 17th century. In 1698, when the financial revolution was at its zenith and the New East India Company was holding its £2,000,000 flotation, the stock brokers and jobbers who sensed the possibility of huge profit from the derived market in booming joint-stocks decided to move their operations from the Royal Exchange, where mounting complaints and objections were being made against them, to Exchange Alley.[535] A few years later, Defoe made such a vivid observation that probably best described the contemporaries' perception of this small area:

[531] John McCusker, '*Business Press in England before 1775*', from John McCusker, *Essays in the Economic History of the Atlantic World*, London and New York: Routledge, 1997, pp.162-163.
[532] Ibid, p.166.
[533] Christopher Kingston, Governance and Institutional Change in Marine Insurance, 1350-1850, *European Review of Economic History*, Vol.18, No.1, (February 2014), pp.15-16.
Lemons problem is a term in economics to describe the phenomenon that in the case of information asymmetry between buyers and sellers the quality of goods traded in the market would degrade.
[534] Houghton, *A Collection for the Improvement of Husbandry and Trade*, p.1.
[535] John Francis, *Chronicles and Characters of the Stock Exchange*, London: Longman, 1855, p.26.

> The centre of jobbing is in the kingdom of 'Change Alley, and its adjacencies; The limits are easily surrounded in about a minute and a-half. Stepping out of Jonathan's into the Alley, you turn your face full south; moving on a few paces, and then turning due east, you advance to Garraway's; from thence, going out at the other door, you go on still east into Birchin Lane; and then, halting a little at the Sword Blade Bank to do much mischief in fewest words, you immediately face to the north, enter Cornhill, visit two or three petty provinces there on your way to the west; and thus having boxed your compass, and sailed round the stock-jobbing globe, you turn into Jonathan's again; and so, as most of the great follies of life oblige us to do, you end just where you began.[536]

Ned Ward was impressed but also repelled by the stock-jobbing at Jonathan's: 'upon a little enquiry into the matter, I found the honest brotherhood of the stockjobbers were in a lamentable confusion, and had divided themselves in two parts, fools and knaves'.[537] Thomas Mortimer, on the other hand, although frightened by the 'pretended friendship centred in self-interest' decided to render 'a few characters at Jonathan's justly ridiculous', and recommended investing in the India bonds which 'are the most convenient and profitable security' and 'may always be sold in office-hours, at any of the public offices, as well as at Jonathan's coffee-house'. However, he advised caution for navy bills 'because they are mostly for large sums' and 'confined to a few hands at Jonathan's'.[538] Coffee houses in Exchange Alley, especially Jonathan's, therefore were central to the financial revolution and subsequent boom of stock trading, and made their unique contributions to the growth of the British joint-stock companies thus conducing to the socialization and impersonalization of capital accumulation. Eventually, when the stockbrokers' agreement with Jonathan's proprietor for the exclusive use of the coffee room was reversed by Lord Mansfield, they finally realized that the coffee house had served its purpose and a different kind of 'public' establishment was necessary for dedicated stock trading, which resulted in the new building called New Jonathan's in the 1773 but soon renamed the Stock Exchange.[539] However, it is suggested that the old habit and culture from the days of the coffee houses stayed with the modern stock exchanges, such that the trading floor of electronic exchanges manifests a

[536] Daniel Defoe, *The Anatomy of Exchange-Alley: or, A System of Stock-Jobbing*, London: for E. Smith near Exchange-Alley, 1719, p.49.
[537] Ward, *The London Spy*, p.297.
[538] Thomas Mortimer, *Everyman His Own Broker*, London: S. Hooper, 1769, pp. xvi-xvii, pp.157-159.
[539] S. R. Cope, The Stock-Brokers Find a Home: How the Stock Exchange Came to be Established in Sweetings Alley in 1773, *Guildhall Studies in London History*, II:4, (April 1977), pp.213-219.

'structured anarchy' in which modern formal rules are augmented by rules of conduct enforced by group pressure and intimidation, just as in a coffee-house situation.[540]

2. The Royal Exchange

Even before Sir Thomas Gresham founded the Royal Exchange, the small triangular area enclosed by Cornhill, Lombard Street, and Fenchurch Street had been an important open-air meeting place for London mercantile community.[541] After the Great Fire, a goldsmith and alderman named Edward Backwell who was referred to by his contemporaries as the 'banker' in the sense of his providing clearing arrangements between others engaged in the business, decided to not only rebuild but also expand his premises located almost at the very centre of the this enclosed area.[542] The eventual extended plot would later constitute the main body of Exchange Alley, which was in fact two narrow passages and shortcuts connecting Cornhill, Lombard Street and Birchin Lane, as can be clearly seen in the map of London made by John Rocque in 1746. By the late 17th century, the adjacent area was heavily 'inhabited by tradesmen… and is a place of a very considerable concourse of merchants, seafaring men and other traders, occasioned by the great coffee-houses (Jonathan's, Garraway's, &c.) that stand there'.[543] The Royal Exchange situated between Cornhill and Threadneedle Street was no doubt the focal point of Exchange Alley, and, as the chapter will argue, was the heart of the mercantile network of the City and the Kingdom. The building itself was destroyed twice by fire, and the Exchange, or the Second Exchange, discussed here from the late seventeenth and early eighteenth centuries was rebuilt after the Great Fire.[544] The ground floor of the Second Exchange was divided into a number of trading and meeting area called 'walks' usually appropriately named after a certain trade such as the Dyers' Walk or a certain geographical area such as the Hamburg or Dutch Walk. According to the elevation and floor plan drawn by I. Donowell in the mid-17th century, the Turkey Walk where, as one might expect, the members of the Levant Company and merchants interested in the trade to Ottoman territories were gathering, was right next to the West entrance, and in the

[540] Mitchel Abolafia, Making Markets: *Opportunism and Restraint on Wall Street*, Cambridge: Harvard University Press, 1996, p.49.
[541] John Biddulph Martin, '*The Grasshopper' in Lombard Street*, New York: Scribner & Welford, 1892, p.207.
[542] Oxford Dictionary of National Biography, https://www.oxforddnb.com/view/10.1093/ref:odnb/9780198614128.001.0001/odnb-9780198614128-e-986 (accessed 11th July, 2019)
[543] John Stow & Robert Setmour, *A Survey of the Cities of London and Westminster*, Vol.1, London: J. Read, 1734, p.414.
[544] Ann Saunders, *The Second Exchange*, in Saunders (ed.), *The Royal Exchange*, p.121.

close proximity of the Clothiers' and Silkmen's Walks.[545] From these separate and arguably intentionally planned walks, merchants of different trades from all Europe could negotiate contracts and gather news of their sectors of interest at two Exchange hours every day except for Sundays.[546] They could also exchange business and gossip from neighbouring walks if they should decide to do so. This was apparently a core feature inherited from the First Exchange, as noted by a French visitor: 'Each nation has its own quarter, so that those who have business with them can find them more easily. Here also one can regularly hear news of other countries and regions, which is a great convenience for those who traffick in merchandise across the seas'.[547] The Royal Exchange was indeed, as described by a merchants' manual of 1671, a place 'where Merchants and Tradesmen do assemble and meet at certain hours, and limited times of the day, to confer and treat together, concerning Merchandizing, Shipping, Buying or Selling, and the like'.[548]

The Royal Exchange was a place where business intelligence of all kinds was disseminated. The contemporary satirist Ned Ward remarked in 1703, not without disdain, that the Quadrangle was crowded with 'bum-firking' Italian, 'lank-haired formalists' that turned out to be the Spanish, 'strait-laced monsters in fur and fur and thrum-caps' from Flanders, and of course French merchants from 'our neighbouring antics' and Jewish merchants 'the richest people in all nations'; the noise from each walk was simply 'an incessant Buzz, like the Murmurs of the distant Ocean'.[549] In this regard, the Exchange was a place that served to provide much needed commercial information for London merchants assisting their decision-making process. Industrious and ambitious merchants would refuse to give up the slimmest opportunity of quenching their thirst for information that could even be remotely related to their business. John Verney, a Turkey merchant, attended the Exchange on a daily basis and depended on it as a place for trading.[550] Another Turkey merchant, Nathaniel Harley at Aleppo, who was a beneficiary outside the family in the will of Henry Vernon along with John Hanger and Rowland Sherman, wrote to his brother Edward Harley in London 'How many jaunts do you take to the Exchange and thence to Coffee Houses, and even ransack the Court itself to find me principals'.[551] In another letter to Edward, Nathaniel

545 Ibid, p.203.
546 Natasha Glaisyer, '*Merchants at the Royal Exchange, 1660-1720*', in Saunders (ed.), *The Royal Exchange*, p.198.
547 L. Grenade, '*Les Singularitez de Londres*, *1576*', translated by Gill Healey and Ann Saunders, in Saunders (ed.), *The Royal Exchange*, p.48.
548 Lewes Roberts, *The Merchants Map of Commerce*, *2nd edition*, London: R. Horn, 1671, p.12.
549 Edward Ward, *The London Spy*, Paul Hyland (ed.), East Lansing: Colleagues Press, 1993, pp.58-59
550 Whyman, *Sociability and Power*, p.62.
551 TNA Prob 11 426/85.
The Manuscripts of His Grace the Duke of Portland, Vol.2, London: Eyre and Spottiswoode, 1893, p.246.

mentioned 'For my part I cannot tell the reason why any postman cannot forward a letter at the post house as well as the best merchant on the Exchange' indicating that the Royal Exchange was as good as any post house for merchants to receive correspondence.[552] The function of the Royal Exchange in providing commercial information was also supported by supplementary devices such as advertisements and business newspapers covering the details about 'subscription demands for the Bank of England, arrangements concerning lottery tickets, orders issued by the Court of Aldermen, advertisements for tenders to supply materials for building naval vessels and notices asking parties interested in particular seized ships to attend the High Court of Admiralty'.[553] It has been calculated that by 1716, a London merchant 'could have subscribed to seven different weekly or semi-weekly business newspapers' costing £6 a year'.[554] Big joint-stock companies would also use the facilities provided by the Exchange. In the early 18th century, the East India Company would pay the Exchange keepers or the Mercers' Company beadles for notices hung on the walls of the Exchange concerning a variety of business matters.[555] Michael Harris, after studying the business of printing at the Royal Exchange in the late 17th century, suggested that 'Through the regular and far-flung correspondence of merchants and traders, a framework of potential news supply was established on a scale only equalled by the networks of government'.[556]

Apart from being a facilitator of news exchange, as Glaisyer suggested 'for merchants in London the Exchange was a crucial site where traders' reputations were discussed, lost, saved, defended and attacked',[557] the Royal Exchange also assisted the mercantile community in discerning personal reputation, which is an extremely important economic signal for managing uncertainties and risk especially in the early modern world where sophisticated modern tools such as publicly accessible annual financial reports and third party rating systems were still lacking. Personal reputation is also essential in a transforming economy in which repeated personal exchanges are to a certain extent gradually being replaced by one-time impersonal exchanges, because in a commercial hub where business contracts are established everyday between parties who are not already acquainted with each other, discernible personal reputation is an irreplaceable foundation. In the arena of merchandizing,

552 Ibid, p.250.
553 Glaisyer, *The Culture of Commerce in England,* p.33.
554 John. McCusker & Gora Gravesteijn, *The Beginning of Commercial and Financial Journalism: The Commodity Price Currents, Exchange Rate Currents, and Money Currents of Early Modern Europe*, Amsterdam: NEHA, 1991, p.291.
555 BL, IOR/H/MISC/17.
556 Michael Harris, '*Exchanging Information: Print and Business at the Royal Exchange in the Late Seventeenth Century*', in Saunders (ed.), *The Royal Exchange*, p.192.
557 Glaisyer, *The Culture of Commerce in England*, p.39.

the proverb 'He that hath lost his credit is dead to the world' is even more real.[558] The words 'reputation' and 'credit' have some overlap in meaning implying that credit could be a valuable asset for merchants in both literal and practical terms. As Defoe argued:

> Credit is so much a tradesman's blessing, that 'tis the choicest ware he deals in, and he cannot be too chary of it when he has it, or buy it too dear when he wants it; 'tis a stock to his warehouse; 'tis current money in his cash-chest; it Accepts all his bills; for 'tis on the fund of his credit that he has any bills to accept; Demands would else be all made upon the spot, and he must pay for his goods before he has them; therefore I say it Accepts all his bills, and oftentimes pays them too; in a word, 'tis the life and soul of his trade, and it requires his utmost vigilance to preserve it.[559]

Indeed, for merchants, credit is not just a virtue, it is also a signal of his ability to pay a bill, and sometimes a real asset with value. There was a practice in the Royal Exchange by the late 17th century concerning the payment of bills of exchange recorded by John Vernon indicating that under certain circumstances value and virtue are transmutable:

> That though the person the Bill is drawn upon will not pay it; yet, peradventure, some others may, for the Honour of the Drawer. And to endeavour that, you must go to the Exchange, when you see the Man will not pay it that it is Drawn upon; and there you may enquire, if any person will pay such a Bill for the Honour of the Drawer, or of any of the Endorsers; And there you will find some Body undoubtedly, that will; and he must pay you the Principal, and the Charges of the Profit, and Interest, if any due … you must in the next place draw it upon the Man for whose Account you paid it, and he is bound by the Laws of Merchants to accept your Bill, and pay it, and give you thanks for stepping in, and so upholding his Credit; for 'tis a great discredit unto the Drawer, or any of the Endorsers, when a Bill of Exchange comes back, and is not paid for his Honour.[560]

In such manner, underpinned by bills of exchange, another instrument facilitating exchanges, the Laws of Merchants practised at the Exchange secured that a bill would be paid and converted the honour of the faulty drawer to a premium which encouraged the wider

558 John Ray, *A Collection of English Proverbs*, Cambridge: John Hayes, 1670, p.6.
559 Daniel Defoe, *The Complete English Tradesman in Familiar Letters*, Vol.1, 2nd Edition, New York: Augustus M. Kelly, 1969, p.185.
560 J. Vernon, *The Compleat Comptinghouse*, pp.103-105.

community to step in, thus transforming the personal exchange between the drawer and the payee into an impersonal transaction. Furthermore, because the bill in question could be endorsed by multiple individuals, this practice guaranteed the execution of collective responsibilities by effectively reducing both bargaining and enforcement costs. Therefore, the Royal Exchange became an organic part of the extended mercantile network. In similar fashion, Exchange Alley and in particular its coffee houses was ‘an extension of the trading floor of the Exchange itself, offering a warm and dry place where business could continue after the official hours had finished, becoming by this means the most celebrated aspect of the network of commercially orientated facilities of the Cornhill alleys’.[561]

III. Conclusion

The financial revolution, which was prompted by the fiscal needs of the Crown’s government due to its involvement in the European warfare, was without doubt conducive to a series of significant developments in the English financial and commercial system. One of these developments was the boom in joint-stock companies, during which the Bank of England was founded, and a rival New East India Company was floated as discussed in the last chapter. However, although the impact of these relatively more well-organized and arguably more modern organizations is probably more easily perceived, these organizations cannot tell the whole story of the participation of the English, and more specifically London, business community in this game-changing event, as some writers, such as Dickson and Glaisyer, have already remarked. Therefore, it is helpful, for the purpose of this study, to look at the seemingly less organized organizations to acquire a more comprehensive and essentially more personal view of that community.

As a regulated company, the English Levant Company operated very differently from the joint-stock companies such as the EIC. In terms of its structure and operation, a regulated company was more in resemblance of the medieval merchant guilds. Instead of being responsible to public investors as a collective body, the commitment of the Levant Company had always been to its limited membership, which inevitably rendered its business a distinctive personal character. From the very beginning of his career, an aspirant with ambitions in the Turkey trade would have to rely on his parents’ background and social connections to secure a position in the Company, either by patrimony or apprenticeship to a

[561] M. Ellis, *The Coffee House*, p.169.

master who was already a member. Good masters were very difficult to come by, and it required a well-connected family to obtain one on top of a quite substantial premium. Apprenticeship was also essential for the business of the company. Because of the nature of the Turkey trade, or overseas trade in general, a sedentary merchant based in London needed an assistant or factor in the faraway lands, and working as a factor was almost a mandatory task for most Levant Company apprentices. After spending several years in one of the Company factories, an apprentice could choose to come back to England or stay in the Levant and work for principals other than his master when he had served his term of apprenticeship. This factor-principal relation was the dominating system in the business operation of the Levant Company. It was established and maintained, to a large extent, on a personal level assisted by connections such as family and friendship. Thanks to this mercantile network that largely built on personal relations, the Levant Company kept a dispersed and autonomous scalar chain across the entire Mediterranean at a manageable organizational cost. This also helped to forge a business community with a peculiar character but also integrated with the larger London mercantile community. On top of the organizational structure, directors had been an established group with very few replacements in a given period. But these directors were also well connected with the business communities of other regulated or joint-stock companies. On the other hand, the working factors had developed their own ecosystem in the factories – a social island in a foreign land – where they worked together and socialized with each other. Apart from feeding back to the stability of the system when these factors started to come back to London and climbed up the organizational ladder, this factory ecosystem also fostered some interesting habits such as coffee drinking which were later brought back home and gave birth to the London coffee houses.

The coffee houses, especially those located in the Exchange Alley in the neighbourhood of the Royal Exchange, were cultural as well as mercantile hubs of early modern London. They and the nearby Royal Exchange provided much needed space for the mercantile community of London and beyond to socialize, and learn commercial information, negotiate business, and enforce the bargains. In the vicinity of the Royal Exchange, some coffee houses became specialized venues for business agents. Edward Lloyd's 'list' helped his coffee house to become a regular meeting place for marine insurance business. This informal bargaining mechanism was probably responsible for the peculiar English marine insurance system in the 18th to early 19th century which was dominated by individual policy underwriters. In the Royal Exchange, merchants were free to visit small dedicated and specialized trading areas called 'walks', meeting and negotiating with other merchants who shared their business interests. However, the personalized trading environment in the Exchange Alley was gradually but surely evolving towards impersonalization. The participation of joint stock companies in the coffee house auctions changed the nature of the auction from individual to public to public to public. The London Stock Exchange developed from a pattern of largely individual stock jobbers operating in Jonathan's coffee house. Credit, which was supposed to be based on personal reputation was transformed to a public currency by the trading and endorsing of bills of exchange.

Consequently, less formal and more personal mercantile networking supported by regulated companies and the establishments in the Exchange Alley constituted an important and dynamic part of the lives of London merchants. It was usually associated with instruments and rules, both formal or informal, provided by family, organizations, etc., and at least a section of it was on the path towards socialization and impersonalization.

Chapter 6 Conclusion

The early modern London merchants were a dynamic demographic and professional group which had both intricate internal networks and complicated external links with the non-mercantile world. An early modern London merchant was playing multiple roles throughout his life. This thesis has investigated three major theatres of merchants' lives – family, joint-stock companies, and regulated companies – and told a story that organically involved all three of them displaying how their everyday life and business were structured by both personal and impersonal networks.

This study is based on a sample of merchants whose mercantile and social experience is reconstructed by a number of sources. The Port Books have proved invaluable in providing a list of cloth, wine, and leather exporters who were both active and noticeable traders for a period of three years by the end of the 17th century. Tax records, PCC wills, and company records of mercantile organizations have helped complete the social and economic lives of these merchants, among whom the cloth exporters are the mostly exposed and investigated. It has been revealed that the early modern London textiles export was commanded by a small group of elite merchants who had clear specialization pattern for trading areas and memberships of trading companies that matched those areas. These merchants had preferable residential area within the Wall that was apparently chosen for its proximity to mercantile facilities. The ups and downs of their trade also corresponded with the chronology of war and peace during this turn-of-the-century period, especially for the merchants who had specialized interests in the southern trade with the Mediterranean countries. All these suggest that this prominent group of the early modern London merchants had their own characteristics which not only assisted in defining their mercantile networks but also pressed them to get involved in the political and financial upheavals of the time.

It is based on the said sample that this thesis has examined three London mercantile families, all of which were actively engaged in the overseas trade by the end of the 17th century, and inspected each of their own ways in exploiting the family as a socioeconomic apparatus: the Goulds ran a successful family business that lasted for three generations relying on direct father/son inheritance alone; the Vernons, in lieu of direct male heirs, groomed male members from extended family to form a cohesive family mercantile network stretching from London to the Levant; and the Gores were masters of marriage carrying on the family business through generations with the help of both external and internal marriage ties. Maintaining and expanding mercantile networks with family, which in the process was transformed into a personalized firm that naturally introduced a hierarchy built on patriarchal authority and an environment supported by personal relations that encouraged repeated transactions, internalized the exchanges that would otherwise have to be undertaken on the open market through cultural and emotional mechanisms such as trust, respect, control, and obedience. Furthermore, in the hands of industrious London merchants, family also, to a certain extent, eliminated the uncertainties induced by the principal-agent problem, and perpetuated property rights beyond the natural lifespan of any individual, which channelled the incentives of economic agents towards more economic activities with long term objectives that were more productive and sustaining. Familial bonds were probably more essential to the merchandizing operations of early modern London merchants than their 21st-century counterparts, because formal constraints endorsed by a more established and sophisticated social, political, and legal context and that are conducive to socialized and impersonalized exchanges were still relatively less common by the end of the 17th century. Therefore, the merchants in our story had to rely on family as a complementary mechanism and cheaper substitute to a relatively larger extent. Moreover, as a socioeconomic apparatus, family has its own logic of functioning, and it could produce some interesting implications when it was associated with merchants and their network. The boundary of household and family could be somewhat blurred for merchants whose extended family may prove to be quite essential to their social and economic network. At least for this period, household structure was probably not a very good indicator for London merchants' family struture. Agents that are not directly involved in the family business may prove to be vital in the sustaining and functioning of the mercantile network of their families. Many family members, both men and women, who were not closely engaged in commercial activities had been responsible for providing heirs or establishing marriage ties that could be utilized as human resources or assets in building mercantile networks and facilitating the trade of other more 'important' family members. We have seen, with quantitative and visualized data, that these individuals are sometimes closer to the centre of the network than one may expect. Under such a system in which family is imbedded into mercantile network and some individuals are indirectly participating in the family business by providing valuable human resources, there could be another level to the patriarchal order of early modern London mercantile families in that instead of familial patriarch that is more of a social nature, a more economically structured mercantile patriarch may have been existed for these families. Besides, the role of women in human reproduction and thus the reproduction of the relations of production in the capitalist society has long been a focus for Marxist sociologists and economists.[562] This study has shown that this topic has the potential of attracting more scholarly attention on the level of network study.

In 1685, when Sir James Oxenden wrote to Thomas Papillon for his advice on the secure lodging of £1,000, he received a reply stating that it would not be very secure if the money was to be trusted to merchants, as it was 'difficult to know who are able and who are not – all is not gold that glitterth'.[563] Fortunately for Sir James Oxenden, he became close with Thomas Papillon through the connection of his uncle George Oxenden, a senior official of the East India Company, and was thus in a position to obtain professional advice from an experienced member of the mercantile community.[564] We know very little about how Oxenden disposed of his £1,000 after receiving Papillon's letter, but we do know that in 1694, ten years after the correspondence, Oxenden invested the exact same sum in the original subscription of the Bank of England.[565] Apparently, compared to individual merchants whose competence cannot be easily perceived, an impersonalized joint-stock organization which could attract the capital of not only a significant section of the mercantile community but also the more general society will better address the financial needs of investors such as Oxenden. Sir James Oxenden is but one of many cases in which family connections collaborated with more formal and organizational network. We have seen, by the end of Chapter 3, how organizations such as the Bank of England and the Levant Company helped shape a more comprehensive mercantile network that is built on family relations.

This thesis has first investigated the founding of the Bank of England and the reorganization of the East India Company – both are important events in English economic history and are part of a series of financial innovations by the end of the 17th century later known by historians as the Financial Revolution. The last decades of the 17th century presented an ideal stage for the expansion of joint-stock companies in England. The war with France dragged the government into serious fiscal difficulties which called for creative adoption of financial innovations. The same war disrupted the established order of foreign trade, thus endangering the livelihoods and opportunities for capital appreciation for the London mercantile community which, after the trade expansions of the previous centuries, had accumulated substantial capital and cultivated a pattern of specialization in terms of trade

562 Martha Gimenez, Capitalism and the Oppression of Women: Marx Revisited, *Science & Society*, Vol.69, No.1, (January 2005), pp.11-32.
563 August 1685, Thomas Papillon to Sir James Oxenden, KHLC U1015 C27, 17-27, Kent Archives.
564 Brock, *The Company Director*, p.191.
565 Bank of England Archive, 10A258/1, p.29.

areas. This is probably part of the reason why we have seen the first stock boom in English financial history during the same period, as the economic impersonalization promised by joint-stock companies would not only offer the Crown and its creditors a better and more secured method of addressing the former's fiscal problems, but also allow the London merchants to redirect their capital into a presumably lucrative and safe venue that did not require specialized skills or networks. One may certainly expect that such changes would encounter resistance from the vested interests resulting in the free trade movement by the end of the century which, when associated with the Crown's initiative, led to the flotations of the Bank and the New East India Company. However, the Bank and the New EIC did not only owe their existences to foreign incidents. Although not a focus of thesis, the recent development in domestic political environment also stimulated the joints-stock boom. One of the major strengths of the joint-stock model is that it blurs the boundary between private and public responsibilities, diluting personal risks over a more general society when, in principle, neither knowledge nor the intention of being involved in the actual trade or production were prerequisites for participation. Without a favourable political structure in which the state is both capable and willing to represent the public interests and safeguard private properties, this strength would be more much difficult, if not impossible, to realize. Fortunately, the decades long struggle between the Parliament and Crown have provided a relatively satisfactory conciliation between the ruler and ruled. This demonstrates how historical and political contexts could constrain the merchants' economic decisions, but perhaps more importantly, it reminds us of the novelty of the joint-stock model and how it still needed improvements to fully realize its potential.

Sir James Oxenden died in 1708 and thus did not live long enough to witness or participate in the first major collapse of the joint-stock model in English economic history. However, a notable portion of the London mercantile community suffered great loss from the South Sea Bubble including many of the merchants in our research sample such as Peter Joye, which may encourage us to re-evaluate the relative position of the more impersonalized mercantile organizations and the ones that take a more personalized approach, for example, the traditional regulated model. Contrary to a joint-stock company which functions as a body whose members only invest in the company stocks and do not, or are not supposed to, carry the trade themselves, a regulated company provides overarching structure and sets broad operational parameters within which members trade on their own accounts either separately or in partnership. This thesis has mainly looked into the operation of the Levant Company and the trade of its members who were known as the Turkey merchants. The Levant

Company was responsible for the provision of superstructure such as the negotiation of commercial treaties with the Crown at home and the Sultans in the Levant, the establishment of trading posts known as the factories, and an entry system that, to a certain extent, ensured that the membership was only accessible to individuals with specified skills and networks. On the other hand, the Levant merchants were largely trading with their own resources and networks. Compared to the joint-stock model, the regulated model was a much less impersonalized framework. Apprenticeship, which made heavy demands on the aspirants' family connections and socioeconomic status, was not just an institution for admission, it was also key to the trade of most company members, because the senior sedentary London merchants needed local agents to assist them with their import and export business, and sending apprentices to the overseas factories was a very common practice. After enough years of service, the apprentices could either come home or continue to work as factors for Company members other than their masters, or for their fellow factors in other Company factories who traded on their own accounts. Under this system, the Levant Company maintained an intricate trading network stretching from London to almost every corner of the Mediterranean, and the individuals working in it, especially those specialized in a certain area marked by a certain factory, were usually connected by their subnetworks underpinned by personal institutions such as family and friendship. This more personalized framework not only helped the Levant Company operate at a lower cost, but it also gave the Levant community, which was an organic section of the overall London mercantile community, a unique character that fostered integration.

The Royal Exchange had been an important mercantile hub of early modern London since the time of Thomas Gresham. However, it was when the Levant factors brought back the habit of coffee drinking that Exchange Alley really gained its reputation as the beating heart of mercantile London. In the walks of the Exchange and the booths of the coffee houses, merchants, stock jobbers, and insurance underwriters were sitting, or standing, face to face exchanging information, securities, and property rights mainly based on personal reputation and credit. Exchange Alley and its largely informal and personal networking were providing essential facilities that supported the mercantile activities and adventures of late 17th century London. It should also be noted, however, that with the advent of the Financial Revolution, the exchanges of the Royal Exchange had been, to a certain extent, taken a turn towards impersonalization and socialization. Under this trend, even credit, which was traditionally a function of personal reputation, was beginning to be translated into a socialized commodity that could be traded with the help of the bills of exchange. The supposedly supporting facilities were, therefore, potentially becoming playing fields with their own rules and players.

By the end of the 17th century, the London merchants were experiencing some unique challenges and opportunities to English foreign trade. New innovations were introduced, and the old rules were being revisited and reformed. The early modern London merchants, as demonstrated by this thesis, whether actively participating in or reacting to these events of transformation, were key players in this drama of change and continuity. They, probably not unlike their medieval counterparts or the modern international businessmen, were using family networks to preserve and expand their commercial estates. They were transforming the organizational landscape of the early modern trading arena by reorganizing existing trading associations and establishing new ones. They were also exploiting the benefits of the trading companies and the commercial facilities while adapting to this new landscape.

Although the London merchants covered by this thesis tend to be the more active members of this professional group who were specialized in certain trades to certain areas in the world, by focusing on their mercantile networks that were centred on socioeconomic relations such as family and involvement in the trading associations, this study has tried to demonstrate that the group of merchants included in the sample probably had more similarities than differences when compared with the general group of London overseas merchants of the time, and thus, could, to a certain extent, represent the latter. The family structure may somewhat vary from one mercantile family to another, but the family network discussed in chapter 3 that were focused on father/son, uncle/nephew, and marriage relations was probably a good example that could be found among all the early modern mercantile families of London. Indeed, even if the Bank and the New EIC were attracting investments and interests from all stations of the English society, their subscription lists almost certainly could not include everyone overseas trader, and obviously, not all London merchants were freemen of the Levant Company. However, we have established, with chapter 4 and 5, that joint-stock and regulated models of mercantile associations were underlining the early modern London mercantile networks. So much as that even if someone were not subscribers of any of the joint-stock companies during the joint-stock boom nor a freeman of any of the regulated companies, he could still be a business contact, a factor, or even a coffee drinking partner of someone who was. It could be argued that early modern London mercantile network was an aggregation of a variety of economic, social, and political relations. This thesis has shown how this aggregation was structured, both through personalized and impersonalized relations, with three different yet interconnected dimensions. Consequently, we could, with a certain level of confidence, suggest that by the end of the 17th century, the London merchant class had formed a well-connected community that shared common interests and had both the incentives and ability to pursue the realization of such interests, albeit not without some degree of internal conflicts and competition, similar to any other community.

The study presented in this thesis is but a small contribution to the larger picture. The investigation on the early modern English mercantile community has seen so many greater contributions from so many brilliant minds. However, this is probably still a field that offers more potential and invites more academic interests not necessarily from historians alone. Even this small thesis could open up some interesting directions. For example, if the late 17th century and early 18th century London merchants had formed some kind of community, how if ever did it evolve into a more impersonalized society following the virtue of the dichotomy coined by Ferdinand Tonnies and Max Weber. This thesis has covered three dimensions of the mercantile network, but what about other dimensions? What could the social, political, and legal contexts had influenced the changes and continuities with the merchant group during the 17th and 18th centuries? And what about other countries and regions during the same period? The fiscal difficulties induced by military expanses levied on the English Crown promoted the financial and economic innovations by the end of the 17th century, but why was it a totally different story with the Chinese Ming dynasty when similar pressures were felt thanks to the Manchu invaders and peasant revolts? All these enticing questions are waiting to be answered, and hopefully, this thesis would be a spark for a brighter flame.

Appendix A: List of Merchants and Merchant Firms in the Database

Surname	First Name	Cloth Trader	Wine Trader	Leather Trader
Adams	Edw.	✓		
Adams	Rich.	✓		
Addy	Will.			✓
Albert	Pr.		✓	
Angier	Gab.	✓		
Armiger	Will.		✓	
Asty	Ambo.	✓		
Asty	Fra.	✓		
Auriall	John	✓		
Ayloffe	Ben.	✓		
Bart	John	✓		
Bateman	James		✓	
Beake	Abr.		✓	
Bernard	John		✓	
Beyer	Adr. & Will.		✓	
Biggs	Tho.	✓		
Blackham	Rich.	✓		
Blake	John		✓	
Blanck	John	✓		
Bloome	Robt.	✓		
Boate	Rich.	✓		
Bodington	Geo.	✓		
Bodington	Robt.	✓		
Boehum	Clem.	✓		
Bonner	John			✓
Bovey	Edw.	✓		
Boynton	Fra.	✓		
Breman	John	✓		
Brunettie	Jerom	✓		

Bull	John	✓		
Buckworth	John	✓		
Burren	Ant.	✓		
Casalet	Pr.	✓		
Carew	Geo.	✓		
Caris	Abr.		✓	
Carleton	Edw.	✓		
Clark	Sam.	✓		
Clotterbook	Jasp.	✓		
Cockram	Will.	✓		
Cole	Simon		✓	
Conyers	Ger.	✓		
Cook	John	✓		
Cook	Nico.	✓		
Crab	Isaac		✓	
Crabham	Geo.		✓	
Crosse	Law.	✓		
Cutler	Free.	✓		
Dawes	Sam	✓		
De Smith	Ray.	✓		✓
Debary	Daw.	✓		✓
Des Bouverie	Will. & Jac.	✓		
Druce	Will.	✓		
Dupert	Simon		✓	
Edwards	John	✓		
Edwin	Hemp.	✓		
Elling	Mart	✓		
Ellis	John		✓	
Erricks	Hen.	✓		
Esselbron	John	✓		
Evans	John	✓		

Eyme	Soloman	✓		
Farington	Edm.	✓		
Faukener	Will.	✓		
Fernandes	Isaac		✓	
Fethersten	Heneage		✓	
Fisher	Will.	✓		
Foote	Sam.	✓		
Foster	Fra.			✓
Francia	Fra.		✓	
Francia	Moses		✓	
Freeman	John	✓		
Gardner	Will.		✓	
Gell	Fra.	✓		
Gellatley	John			✓
Gerts	Otto			✓
Giles & Aesop/Giles		✓		
Gondet	John	✓		
Gore	Will.	✓		
Gosfright	Fra.	✓		✓
Gould	Nath. & Jn.	✓		
Grassingam	John	✓		
Gray	Math.	✓		
Grove	Geo.	✓		
Grovenor	Richard		✓	
Hackshaw	Robt.	✓		
Hall	John		✓	
Hamilton	Chr.	✓		
Hammond	Tho.		✓	
Hamond	Will.	✓	✓	
Harris	Fra.	✓		
Harvey	John	✓		
Hastwell	Edw. & Tho.	✓		

Hayes	John	✓		
Heckstetter	Daw.	✓		
Heber	Reginald	✓		
Heidrider	And.	✓		
Hereford	Booth		✓	
Heathcote	Gilb.	✓		
Hill	Rich.		✓	
Holder	John	✓		
Holder	Rich.	✓		
Holroy	Josh	✓		
Horard	Pane			✓
Houblon	Pr.	✓	✓	✓
Houblon	John		✓	
Howton	John		✓	
Ivatt	Will.	✓		
Jacob	Alex.	✓		
Jacobson	Theo.	✓		
Jerret	Will.	✓		
Jones	Mich.		✓	
Jonson	Will.		✓	
Joy	Pr.	✓		
Kent	Walt.	✓		
Kersteman	Pr.	✓		
Kifft	Hen.	✓		
King	Ed.		✓	
Lambert	John		✓	
Lambert	Tho.		✓	
Lane	Ra.	✓		
Lanney & Treadway		✓		
Lapton	Tho.	✓		
Lenton	Her.	✓		
Lethulier	Abr.	✓		
Lethulier	Will	✓		

Lewen	Will		✓	
Little	Jeofry	✓		
Loblane	Sym.	✓		
Longeville	Pr.	✓		
Lordell	John		✓	
Love	John	✓		
Loyd	John		✓	
Lyell	Hen.	✓		
Maccullock	Tho.	✓		
March	Fra.	✓		
Master	Will.	✓		
Mathwen	Will.		✓	
Mead	Rich.		✓	
Merret	Solo.		✓	
Merry	Ant.	✓	✓	
Meverell	Sam	✓		
Meyer & Berenberg				✓
Middleton	Cha.	✓		
Milner	Ben.	✓		
Molinenx	Tho.	✓		
More	Tho.	✓		
Moore	Jos.		✓	
Morice	John	✓		
Morse	Nic.	✓		
Moya	Rich			✓
Muysken	Gerard	✓		
Nash	Sam	✓		
Newton	John		✓	
Nicholls	Ben.		✓	
Nicoll	Rich.	✓		
Nisbet	Phil.	✓		
Nisbet	Tho.	✓		
Nognier	Step.	✓		
Onbry	Tho.		✓	
Oriot & Berens		✓		

Osteland & Kerser/Osteland		✓		
Paget	Casar	✓		
Palmer	Tho.	✓		
Pereira	Jos.		✓	
Perry	Mica.	✓		
Pilkington	Will.	✓		
Pindook	John	✓		
Pocock	Rich.	✓		
Pownell	Sam.			✓
Priaulx	Paul	✓		
Prideaux	Edm.	✓		
Pringell	Daw.	✓		
Pronting	Hum.	✓		
Provost	John			✓
Raworth	Rob.		✓	
Redcliffe	Hen.	✓		
Reynardson	Jos.	✓		
Reynolds	John		✓	
Richardson	Will.	✓		
Rigden	Rob.		✓	
Rogers	Will.	✓		
Rosewell	Jos.	✓		
Rowvier	Pr.	✓		
Rudse	John		✓	
Salway	Edw.	✓		
Sands	Tho.	✓		
Scott	Ste.	✓		
Shaleet	Arthur		✓	
Sheperd	Francis		✓	
Sheperd	Sam.		✓	
Short	Ed.			✓
Sittart	Pr.	✓		
Slaughter	Paris	✓		
Smith	John			✓
Snelling	Will.	✓		
Somers	Hen.	✓		

Southell	Rich.	✓		
Stafford	John		✓	
Stahlin & Derwen/Stahlin		✓		
Strede	Geo.	✓		
Styles	Tho.	✓		
Sussex	Will.	✓		
Teshmaker	Will.	✓		
Thomkins	Tho.		✓	
Thomson	Roger		✓	
Thorold	Cha.	✓		
Tinsey	Phil.	✓		
Tiorons	Fra.	✓		
Turner	Geo.	✓		
Turner	John		✓	
Upton	John	✓		
Vahanem	John		✓	
Vanrigand	Fra.		✓	
Vernon	Tho. & Tho.	✓		
Virgoe	Geo.	✓		
Waleolt	Geo.		✓	
Wall	John	✓		
Ward	John			✓
Waterhouse	Richard	✓		
Watson	Daw.	✓		
Watts	Sam.		✓	
Weathered	Tho.	✓	✓	
Weeden	Tho.		✓	
Wessell	Leo.	✓		
Whalloy	John	✓		
Wigfall	Dan.	✓		
Witchurch	Ra.	✓		
Wolfe	Jos.	✓		
Wonacolt	John		✓	
Wood	Geo.		✓	
Wood	Nath.		✓	
Woodroof	John			✓

Appendix B: Detailed Information of Textile Exporters

First Name	Surname	Dues (£)	North Europe (£)	Mediterranean and Levant (£)	Spain (£)	North America (£)	India (£)	Others (£)	Specialization Index	Trading Company
Walt/Walt & Will	Kent	1268.05	1224.40	14.33		21.60	6.41	1.31	0.93	NEIC/EIC
Sym	Loblane	790.48	721.38	39.93	19.14	5.42		4.61	0.84	Levant
Daw	Debary	723.23	697.27	2.56	15.73	5.12		2.56	0.93	N/G
Sr Will	Gore	714.18	714.18						1.00	Eastland/EIC
Pr/Co.	Longeville	644.15	612.49	20.54	7.71	1.42		1.99	0.91	N/G
Josh	Holroid	561.11	530.69		11.48			18.94	0.90	N/G
Rich	Southwell	376.88	360.22	4.55	10.42	1.70			0.91	N/G
Sr Ben/Ben	Ayloffe	366.88	336.20		15.38	3.25		12.05	0.84	Eastland/Russia/Levant
Will	Teshmaker	333.25	308.20	5.00	9.75	2.91		7.39	0.86	NEIC
John	Harvey	304.20	201.11	92.40	10.29		0.40		0.53	Levant/Russia/NEIC
Tho	Biggs	299.85	292.71	7.14					0.95	
Jos/John & Jos	Wolfe	298.11	192.81	99.99	5.31				0.53	Levant/Russia/Eastland
Sam	Foote	275.53	269.61		1.50	4.42			0.96	Eastland/USA
John/Co.	Gondet	271.42	259.89	1.06		3.18		7.29	0.92	N/G
Will & Jac/Will/Jac	DesBouverie	266.38	12.62	163.17	9.98				0.78	Levant/EIC
Will	Sussex	263.58	263.58						1.00	
Daw	Watson	259.50	244.37		8.83	3.81		2.50	0.89	
Co.	Oriot & Berens	254.81	254.81						1.00	
Fra	Boynton	241.68	219.20		20.30	2.18			0.83	Eastland/NEIC
Sr Tho & Tho/Sr Tho	Vernon	236.88	0.83	223.43	6.53		6.08		0.89	Levant/Eastland/NEIC/EIC
Chr/Chr & Cha	Hamilton	231.63	218.94	3.68	1.00	7.27	0.75		0.89	Eastland
Jos	Roswell	184.39	135.05	43.10		4.08			0.61	
John	Evans	183.90	0.87	182.47					0.99	NEIC
Sr Rich/Rich	Blackham	182.48	4.09	153.68	24.71				0.73	EIC

First Name	Surname	Dues (£)	North Europe (£)	Mediterranean and Levant (£)	Spain (£)	North America (£)	India (£)	Others (£)	Specialization Index	Trading Company
Co.	Meyer & Berenbergh	178.98	170.17	2.50				6.32	0.91	
Rich	Boate	172.32	170.82			1.50			0.98	
John/John & Nath	Gould	168.60	158.81				9.79		0.89	Levant/Russia/Eastland/NEIC
Co.	Lanney & Treadway	167.06	2.13	145.33	19.60				0.77	
Ray	DeSmeth	165.91	158.62	4.43				2.87	0.92	N/G
Otto	Gerts	150.36	150.36						1.00	
Geo	Turner	147.68	141.93			2.75	3.00		0.92	N/G
Hum	Prenting	145.60	138.18					7.42	0.90	
Casar	Paget	144.93	89.71	23.12	29.11			3.00	0.45	NEIC
Mart/John & Mart	Elking	144.13	139.45	2.57	2.11				0.94	N/G
John	Esselbron	135.34	128.16	5.26				1.93	0.90	N/G
John	Whalley	135.17	5.08	130.09					0.93	
Sam	Clark	134.79	67.10		66.09	1.60			0.49	Hudson/NEIC
Ant	Burren	133.22	133.22						1.00	Eastland/Russia/Hamburg
John	Edwards	133.18	86.18	33.05	13.95				0.49	Levant/Russia/EIC
Fra	Tierons	132.28	123.05			7.92	1.31		0.87	N/G
Clem	Boehum	129.25	123.14		1.87			4.24	0.91	
Geo	Bodington	123.78		113.43	10.35				0.85	Levant/Eastland
Geo	Virgoe	123.51	123.51						1.00	
John	Morice	122.88	72.78	46.43	3.31	0.37			0.49	Levant/EIC
Will	Richardson	121.49		0.00	121.49				1.00	NEIC
Pr	Casalet	120.53	99.13	2.65	18.75				0.70	
Ste	Nognier	113.84	9.04	20.02	84.78				0.59	N/G
Ant	Merry	113.06	86.13	17.12	3.70	2.29		3.83	0.61	Russia/NEIC

First Name	Surname	Dues	North Europe	Mediterranean and Levant	Spain	North America	India	Others	Specialization Index	Trading Company
Pr	Kesteman	112.90	101.97	1.08				9.85	0.82	N/G
Will	Snelling	109.64	14.51	2.22	78.30	7.47		7.15	0.54	EIC
Geo	Grove	108.19		108.19					1.00	EIC/Russia
Ben	Milner	106.94	101.32			5.63			0.90	
Will	Pilkington	104.68		98.11	6.58				0.88	Levant/Russia
Ra	Whitchurch	104.05	104.05						1.00	N/G
Ste	Seignoret	103.97	93.73	3.25	4.86			0.13	0.85	EIC
Law	Crosse	100.78	100.78						1.00	
John	Blanck	99.51	99.51						1.00	
Co.	Giles & Aesop/Giles	98.08	97.08	0.99					0.98	Russia
Will	Lethieullier	98.06		97.93				0.13	1.00	Levant/EIC
John	Bart	97.44	94.39		2.37			0.68	0.94	
And/Co.	Heidrider	96.64	94.92					1.73	0.96	
Hen	Kifft	95.86	90.64	0.18				5.03	0.90	Levant?
Will	Druce	95.14	32.88	6.05	56.22				0.47	Levant/Russia
John	Freeman	94.19	2.48	85.53	1.00	3.40		1.00	0.84	Levant/Russia/EIC/NEIC
Daw	Heckstetter	92.39	92.39						1.00	
Soloman	Eyme	91.78	90.84					0.93	0.98	
Tho	MacCullock	90.33	89.03			1.30			0.97	N/G
Tho/Edw & Tho	Hastwell	89.62	41.50	4.33	18.70	16.62		8.48	0.30	Russia
Edw	Bovey	87.45		73.95		13.50			0.74	Levant
Hen	Redcliffe	86.32	86.32						1.00	
Pr	Houblon	83.57	3.11	13.50	48.33			18.63	0.41	Levant/NEIC
Phil	Tinsey	82.00	16.81	4.73	60.47				0.59	

First Name	Surname	Dues(£)	North Europe(£)	Mediterranean and Levant (£)	Spain(£)	North America(£)	India(£)	Others(£)	Specialization Index	Trading Company
Paris	Slaughter	79.32	35.48	42.11	1.73				0.48	Levant
Will	Jolliffe	78.14	1.50	72.27	3.40	0.98			0.86	
John	Love	76.11	5.83	65.89		4.38			0.76	N/G
Tho	Nisbet	75.71	67.42	7.44		0.85			0.80	NEIC
Robt	Bloome	74.35	70.27	3.40		0.68			0.90	Eastland/Russia/NEIC
Fra	Gosfright	73.53	11.04	6.00	41.42	15.07			0.39	EIC/USA
Robt	Hackshaw	69.86	24.47		23.50	18.21		3.68	0.31	
John	Wall	69.71	1.00	12.53	56.18				0.68	
Alex	Jacob	69.45		69.45					1.00	Levant/Russia
Co.	Osteland & Kerser/Osteland	69.15	61.72	1.63	2.81	3.00			0.80	Russia
Ra	Lane	68.70		68.70					1.00	Levant
Sr John/John	Buckworth	65.73	0.00	65.73					1.00	Levant
Will	Fisher	62.20	54.71			7.49			0.79	
Ger	Conyers	61.89	9.40	48.34				4.15	0.64	
Jeff	Little	60.93		20.30	36.40	4.23			0.47	
Rich	Pocock	60.53	60.53						1.00	
Hen	Lyell	55.83	55.83						1.00	Eastland/Russia/NEIC
Edw	Salway	55.65		55.65					1.00	Levant/EIC
John	Holder	55.51	0.31		55.20				0.99	
Theo/Theo & Hen	Jacobson	54.83	50.60	7.85				0.24	0.76	Eastland/Russia/EIC
Will	Cockram	54.61	54.61						1.00	N/G
Fra	Asty	54.19	54.19						1.00	EIC
Tho	Sands	52.98	51.58	0.18		1.22			0.95	
Rich	Holder	52.44		40.16	11.42			0.87	0.63	EIC

First Name	Surname	Dues(£)	North Europe(£)	Mediterranean and Levant(£)	Spain (£)	North America(£)	India(£)	Others(£)	Specialization Index(£)	Trading Company
Gab	Angier	52.23	52.23						1.00	
Her	Lenton	51.88	18.03	30.45	3.40				0.47	
Rich	Waterhouse	48.78	7.78	13.50	27.49				0.42	
Sam	Nash	48.53	0.98		47.56				0.96	
Gilb	Heathcote	47.67	42.93			4.24		0.50	0.82	Eastland/Russia
Pr	Sittart	46.77	46.77						1.00	
Fra	Harris	46.14	34.30	9.27	2.00	0.58			0.59	
Math	Gray	45.96	45.96						1.00	
John	Auriall	44.96	44.96						1.00	
Geo	Carew	44.31		44.31					1.00	Levant/Russia
Cha	Thorold	43.95	9.80	28.83	5.33				0.49	Levant/Russia/EIC/NE
Edm	Farington	43.63	12.25	31.38					0.60	
Cha	Middleton	43.48			36.62	6.87			0.73	EIC
Will	Hamond	43.33	6.40	36.93					0.75	Levant/RAC/EIC
Tho	Weathered	42.86	5.13		27.95	9.03		0.75	0.48	
Nico	Cook	42.86	10.15	32.71					0.64	N/G
Tho	Vernon	42.45		22.20	20.25				0.50	
Will	Faukener	42.20	0.49	41.03	0.68				0.95	Levant/RAC/EIC
Pr	Joye	42.05	42.05						1.00	Eastland/Russia/EIC
Jos	Reynardson	42.03		40.53	1.50				0.93	Levant
Tho	Styles	41.50	41.44						1.00	Levant/Russia
Will	Rogers	40.78	40.74					0.03	1.00	
Mica	Perry	39.30				39.30			1.00	Virginia agent
Co.	Stahlin & Derwen/Stahlin	38.52	38.52						1.00	

First Name	Surname	Dues(£)	North Europe(£)	Mediterranean and Levant(£)	Spain (£)	North America(£)	India(£)	Others(£)	Specialization Index	Trading Company
Gerard	Muysken	38.10	36.33						1.00	N/G
Roger	Heber	37.88	36.54						1.00	N/G
Tho	Palmer	37.23	9.24	27.98					0.63	Eastland/Levant/EIC
Sam	Dawes	36.82		31.17	5.65				0.74	
Edw/Edw & Dudley	Carleton	36.61	13.43		20.04	3.13			0.44	Eastland/Russia
John	Cook	34.74	34.74						1.00	NEIC
Phil	Nisbet	34.04	34.04						1.00	Eastland/Russia
Will	Master	32.71	32.71						1.00	NEIC
Hen	Somers	32.22	32.22						1.00	
Geo	Strede	32.08	1.49		29.42	1.03		0.13	0.84	
John	Pindook	31.93	31.93						1.00	
Leo	Wessell	30.75		26.42	4.33				0.76	
Edm	Prideaux	29.98		29.98					1.00	Levant/EIC
Sr Hump	Edwin	28.95		28.95					1.00	Levant/EIC
Tho	Molinenx	28.95	7.73	14.48	6.75				0.38	
John	Upton	28.50		28.50					1.00	
Edw	Adams	26.97	18.44			8.53			0.57	
John	Bull	26.53		16.38	10.15				0.53	
Amb	Asty	25.91	25.91						1.00	Eastland
Hen	Ericks	25.48	25.48						1.00	
Tho	Lapton	24.98		17.48				7.50	0.58	Levant/Russia
Pr	Rowvier	24.68	10.79		13.88				0.51	
Jerom	Brunettie	24.33		1.23	23.11				0.90	
Will	Ivatt	23.77	1.23	22.54					0.90	Levant

First Name	Surname	Dues(£)	North Europe(£)	Mediterranean and Levant(£)	Spain(£)	North America(£)	India(£)	Others(£)	Specialization Index	Trading Company
Robt	Bodington	23.65		11.83	11.83				0.50	
John	Houblon	23.51			23.51				1.00	Levant
Daw	Pringell	23.28	23.28						1.00	
Sam	Meverell	21.05	21.05						1.00	
Nic	Morse	20.43	0.00	20.43					1.00	Levant
Abr	Lethieullier	20.30		20.30					1.00	Levant/EIC
Fra	Gell	20.26		20.26					1.00	
Rich	Nicholls	19.54	8.48	11.07					0.51	Levant/EIC
Ste	Scott	18.63	18.63						1.00	
Jasp	Clotterbook	18.60	0.00	18.60		0.00			1.00	Levant/EIC
Fra	March	18.55		18.55					1.00	Levant
John	Hayes	17.17	13.61	2.93	0.13	0.50			0.66	
Johh	Grassingam	16.95			16.95				1.00	
Rich	Adams	16.43	15.75		0.68				0.92	
John	Breman	16.23		16.23					1.00	
Freem	Cutler	15.87	15.87						1.00	
Tho	More	13.85	13.85						1.00	
Dan	Wigfall	13.50			13.50				1.00	Levant/EIC
Paul	Priaulx	12.63		2.48	10.15				0.68	

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