
ARTICLES

William Gomm: A Case Study of the Foreign Entrepreneur in Eighteenth Century Russia

P. H. Clendenning

Queens' College, Cambridge

One of the most spectacular business deals in the eighteenth century took place in Russia when the English merchant William Gomm became involved with the Court financial adventurer and industrialist, Count Pyotr Shuvalov, to carve out a vast timber monopoly in northern Russia. The story of Gomm's economic activities in Russia casts a highly informative light on the Russian court, governmental attitudes to foreign ownership, management of natural resources and general economic development in the 1750's and 1760's.

The rise of the Russian northern timber trade was a result of several factors. First was the Russian government's desire to tap and export the vast timber riches in the northern regions around Lake Onega and Archangel for export sale to the Dutch and British markets. There were several million square acres of prime fir, elm and larch trees which were easily accessible from the Onega, Mezen', and Divina rivers. The timber could be floated down to Lake Onega where saw mills would cut and prepare it for export. Such a plan had previously been suggested by Peter the Great's advisor, Fedor Saltykov, in 1714 and subsequently led to the establishment of a saw mill in the region. Due to the general hostility of the Admiralty, which wanted to preserve much of the northern

forest for its own needs, the mill was unable to pay its own way and had to close.¹

There was also the factor of Britain's immense and ongoing need for timber for both her Navy and merchant marine. Apprehensive that imminent war in the early 1750's with France might result in a blockade of the timber reserves in Canada, the British Admiralty wished to turn to other areas for its supplies. Moreover the Royal Navy had expanded considerably in both size and scope in the decade. By July 1758, the Navy consisted of 263 ships, double pre-war figures. For a 100 gun ship like the "Royal George" (1756) the timber requirements alone were over 6,000 loads (7500 tons) of oak, elm and plank. Most of this was Baltic timber as the Navy Board had a very low opinion of American colonial plank and had made this known for several years to the Board of Trade and the Admiralty.² Both the Norwegian and Swedish timber trades flourished but they sold a different type of wood and their supplies were subject at times to disruption by French privateers. Britain badly needed a timber trade that was both secure from foreign intervention and provided good quality plank and masts at competitive prices. Russian supplies would also be ideal as the transport ships could be better protected by the convoy system; the shorter distance would also mean more trips per year.

The trade potential was, therefore, enormous and this fact was not lost upon the great Russian entrepreneur of the time, Count Pyotr Ivanovich Shuvalov. Shuvalov possessed distinct advantages and disadvantages. Greatly in his favour was his position as a leading official at the court of Empress Elizabeth as well as his many entrepreneurial activities. He was the major force behind the eventual St. Petersburg Merchant Bank (established in 1754) to expand credit facilities for Russian merchants to help pay custom duties at St. Petersburg and compete for foreign contracts

¹ M. TSEITLIN, *Lesnaya promyshlennost' Rossii i SSSR*. (Leningrad, 1940), pp. 81-2.

² « A Report from the Committee to consider how His Majesty's Navy may be better supplied with timber ». *House of Commons, Journals 1771-1775*. (London, 1802). Report of 6 May 1771. On ship construction of the time, see JOHN CHARNOCK, *A History of Maritime Architecture*, 3 vols. (London, 1800-02), I, pp. 140-41 ff.

without using traditional British credit.³ Shuvalov was able to borrow large sums needed for his own projects, and one historian has claimed that he received over one million roubles.⁴

Consequently, in 1752 he petitioned the Russian Senate for an exclusive monopoly of the northern timber lands from Archangel to the tip of the Pechora peninsula.⁵ Impressed with the scope of his plan, the Senate granted him the right of export to any country up to 250,000 planks and logs, 1,000 large masts, 1,000 smaller masts, 200,000 cut boards, 200,000 elm poles and 5,000 *sazhen* (1 *sazhen* = 7 cu. feet) of birch wood.

Yet Shuvalov faced two major obstacles. The first was the nature of the region where the timber monopoly was situated. It was sparsely populated, with few access roads, no saw mills, and almost no supporting economic activity to put his plan into operation. Moreover, like most Russian entrepreneurs of the time, he possessed no intimate knowledge of the intricacies of foreign markets which could guarantee him sufficient profitable sales each year. Shuvalov needed to find a person, preferably British, who was connected with the timber merchants in England and who could manage the operation with some degree of competence and honesty.

It was for this reason that he turned, in 1754, to William

³ «Ekstrakt ot kommissii mednykh deneg' o angliiskom kupets Gomm...» *Senatskii arkhiv* (St. Petersburg, 1893), XII, 652. The bank foreign trade had an initial fund of 500,000 roubles. See S. BOROVY, «Voprosy kreditovaniya torgovli i promyshlennosti v ekonomicheskoy politike Rossii XVIII veka» *Istoricheskii Zapiski*, No. 33 (1950), pp. 103-4.

⁴ A. LENTIN, *M. M. Shcherbatov: On the Corruption of Morals in Russia* (Cambridge, England, 1969), pp. 213.

⁵ Shuvalov, an advocate of the establishment of a monopolistic, entrepreneurial oligarchy, had already established himself as a leading noble-entrepreneur with his White Sea fishing rights, a salt monopoly, and possessor of several iron mines in the Urals. He had also advocated successfully an internal tariff and currency reform (1753) and proposed a new law code (1753-55). See TSEITLIN, *supra*, pp. 82 ff.; N.N. FIRSOV, *Russkaya torgovo-promyshlennaya kompanii v perviu polovine XVIII stoletiya* (Kazan', 1896), pp. 93 ff.; *Istoriya pravitel' stviushchago Senata za dvesti let', 1711-1911 gg*, 5 vols., (St. Petersburg, 1911; rep. 1973), II, 122-24; 168-70, 205-7, 299-302. Shuvalov's career is described in the *Russkii biograficheskii slovar'*, (St. Petersburg, 1895-1915), vol. "Shebanov-Shiuts" pp. 490-503 though curiously omits relations with Gomm. His cousin Ivan Ivanovich Shuvalov (1727-1797) exercised considerable influence at court, particularly in the cultural sphere and was instrumental in the foundation of Moscow University (1755).

Gomm, an English merchant in St. Petersburg, whom he had known for several years, with an offer of a twenty year monopoly on all northern timber exports for the price of 120,000 roubles.⁶

Gomm accepted the offer and proceeded to build up the trade. In his first year of operation, he registered modest success in the area given to him to exploit, the Kola region. He spent over 150,000 roubles building a harbour and two saw mill on the Onega River and his Company exported 48,889 planks and 383 *sazhin* of beams.⁷

Four years later, however, as a result of dramatic increases in demands brought on by the Seven Years War, Gomm's business prospects brightened to such an extent that he felt it was necessary to ask the Senate for a loan of 100,000 copper roubles to expedite the construction of several more saw mills and ship yards. In so agreeing, (in 1760), the Senate also allowed Gomm to buy up Shuvalov's entire monopoly for a thirty year period at a price of over 300,000 roubles. At the same time Gomm took the opportunity to ask for yet another loan which amounted to over 200,000 roubles.⁸ Although the Admiralty protested against this, claiming it did not have enough good timber for its own use, the Senate approved the request, stipulating the loan repayment terms as one half in foreign silver coin, and one half in Russian silver roubles. It also requested that three Western merchants, Poggenpohl, Cavanaugh and Cozzins, were to stand as guarantors of the loan.⁹ The Senate then drew up a number of specific instructions which Gomm had to follow. The Senate instructed him to build

⁶ Of Gomm's early life, we know very little. He was born in 1728 and "as a timber merchant from Bristol", joined the organization trading with Russia under the name of the "Russia Company" in London in May 1745, leaving sometime afterward for Russia. (*Minutes of the Russia Company*, 11.741/7, Guildhall, London). He next appears in 1753 as a supporter of an entrepreneur, Martin Butler, when the latter tried to establish his wallpaper manufactory in St. Petersburg. (M. CHULKOV, *Istoricheskie opisaniye Rossiiskoy kommersii*, 7 vols., [21 books] (St. Petersburg - Moscow, 1781-1788) Kn. VI/1, p. 582.

⁷ TSEITLIN, *Lesnaya*, 81 ff.; S.F. OGORODNIKOV, *Ocherk istorii goroda Archangelska v torгово-promyshlennom otnoshenii*, (St. Petersburg, 1890), pp. 193-8.

⁸ *Istoriya Senata*, II, p. 355.

⁹ N. LUKHANTSOV (ed.), *Sbornik svedenii materialov po vedomstvu ministerstva finantsov* (St. Petersburg, 1866), III, No. 11-12, p. 223.

not less than 20 ships a year according to Admiralty specifications,¹⁰ he was to hire local labour in the Archangel area 'without delay', use the local wood products and even contract out some of the work in order to complete the jobs.¹¹ He and his men were to work closely with the Archangel 'Val'dmeister' (woods inspector) to ensure that orderly cutting and clearing be carried on. No oak was to be exported as this was reserved for the Admiralty. He was to pay duties at Onega according to the Kola tariff rate of 1757 (which was somewhat lower than that of St. Petersburg); he was also invited to establish his own spinning and sail cloth factory to help provide jobs for the local inhabitants. Lastly, the Senate graciously acknowledged that when all Gomm's debts to the State were repaid, all the land, factories and ships would belong to him and his heirs. This would have, in essence, made him the biggest landowner in Russia. To ensure all went well, the Senate appointed two overseers, Bauman and General Golovt-syn.¹² In return Gomm had to provide the Senate with a yearly account of all timber he exported, the number of ships he built in the north, and the amount of gold and silver he imported as payment for the timber.

By 1760, Gomm possessed the nucleus of a highly successful timber operation in the north. He had already constructed five ships, and was building eight more; exports reached 170,000 logs, 1,000 masts and between 250-300,000 planks. He had 24 saws in his mills and was anticipating building more wharfs and store-houses.¹³

Late 1762, however, brought a crisis for both the Russian timber trade and Gomm's optimistic expectations. The first was the death of Shuvalov in 1762 which immediately deprived Gomm of a friend at court. Moreover, Shuvalov's benefactor, Peter III, was to follow him shortly to the grave after the Palace coup

¹⁰ *Polnoe Sobranie Zakonov (PSZ)* 1st series, vol. XVI, 12, 223, August 13, 1764.

¹¹ *Ibid.*

¹² *PSZ/XVII*, 12, 580, Feb. 21, 1766. For other concessions on the Kola herring and salt trade, see *CHURKOV, op. cit.*, 1/2, 269 ff. Tariff rate in *P*, vol. XCV.

¹³ *Senatskii arkhiv*, XII, pp. 653-4.

in June 1762. Peter's wife, the Grand Duchess Catherine, became the new Empress and was initially hostile towards unlimited monopoly trading which she claimed hindered Russian entrepreneurial development. In addition, business climate was uncertain as several prominent counting houses in St. Petersburg had already disappeared in the spate of bankruptcies in Amsterdam and Hamburg following the end of the war and this crisis had undermined business confidence and activity.¹⁴ At the same time, Britain's victory in the Seven Years' Wars removed the French threat from the virgin forest of British North America and prompted settlers to renew their lumbering activity, particularly of selected hard woods which the British Navy preferred; by 1765, this area was providing the Navy with large numbers of masts and plank.¹⁵

Other events posed a threat to Gomm's prosperity. Narva merchants, angered at the sudden termination of their timber trade during the war in favour of the north, had formed themselves into a powerful 'timber lobby' at St. Petersburg, bombarding the Senate with personal visits, petitions and grim stories of ruin and waste in Narva owing to the lack of a timber export trade. Under such pressure, the Senate lifted its ban and allowed the exports of 60 cargoes of timber per year at an export duty equal to that of Kola, the lowest in Russia and the one granted to Gomm.¹⁶ In the wake of this success, others joined in demanding the right to participate in the timber trade. One Olonets merchant, Popov, wanted to build his own ships and export directly to Western Europe.

¹⁴ «La France et le Système politique de l'Europe par le Comte de Broglie». Mss K. 157, f. 68, Archives Nationales, Paris.

¹⁵ D. MALONE, *Pine Trees and Politics*, (London 1964), p. 133, on timber supplies in the Seven Years War, see H. KENT, *War and Trade in the Northern Seas*, (Cambridge, England, 1973), p. 181.

¹⁶ N. N. FIRSOV, *Pravitel'stvo i obshchestvo v ikh otnosheniakh k vneshney torgovle Rossii v isarstvovanie imperatritsy Ekateriny II*, (Kazan', 1902), p. 251; A. SEMENOV, *Izuchenie istoricheskikh svedenii o rossiiskov vneshney torgovle i promyshlennosti s polovini XVII-go stoletiya po 1858 god*, 3 parts, (St. Petersburg, 1859; rep. Newtonville 1977), II, p. 19.

Gomm also faced the hostility of various economic advisors in St. Petersburg. Senator Ivan Nepliev of the newly formed Commerce Commission was one of the most vociferous in his condemnation of the rape of the country's timber resources by foreigners and Russless exploitation and more state protection. He claimed that the export trade drove up domestic prices in St. Petersburg which, in turn, increased prices on many goods¹⁷ such as iron, glass and bricks that required extensive amounts of wood in the manufacturing process. These factors, plus a downturn in Gomm's exports, and a Senate fear the country might not recover its massive loans, led to the establishment in May 1763 at the personal request of the Empress of an inquiry headed by General Pyotr Panin, into the whole matter of Gomm's timber monopoly.¹⁸ The Committee found that against the debt of the loan and interest totalling 537,000 roubles, Gomm had assets worth 423,947 roubles.¹⁹ This sum was the result of frequent borrowings from the State Copper Bank to which he owed almost 425,000 roubles. Including the interest payments due to the State, the total reached 737,000 roubles, a sum far beyond the means of the guarantors of the 1760 loan, Cavanaugh, Cozzens, and Poggenpohl.²⁰

Nor had the export trade been as much as the government had anticipated. From 1750 to 1764, Gomm exported 308,941 pieces of timber and 3,862 sazhen of logs, even though Shuvalov had been granted the right to export yearly 625,000 pieces of timber and 5,000 sazhen of logs.²¹

Clearly a crisis was at hand not only for Gomm, but for the entire web of Anglo-Russian commercial relations. If Gomm's

¹⁷ PAUL DUKES, *Catherine the Great and the Russian Nobility*, (Cambridge, 1967), p. 129; FIRSOV, *Pravitel'stvo*, 57. Further information on the Commerce Commission is in W. DANIEL, «The Merchantry and the Problem of Social Order in the Russian State: Catherine II's Commission on Commerce», SEER, LV, 8 (1977), 185-203.

¹⁸ PSZ/XVI, 3 March 1764, 12,066; Iukhantsov, 224. The commission was also to investigate the activities of Gomm's two Russian agents, the merchants, Bazhenov and Krylov.

¹⁹ Iukhantsov, p. 225.

²⁰ Tseitlin, p. 86.

²¹ *Ibid.*, p. 85.

enterprise failed, and the state failed to recover its money, the resulting débâcle would only fuel the hostility and resentment that many merchants and conservative nobles had harboured against the British domination of Russian commerce. The Government had to find some way to safeguard its investment and also not alienate the important international financial interests in Amsterdam and London with which Gomm was closely connected.

More important to the relations between the two countries, however, were the negotiations then underway between the Earl of Buckingham (replaced in 1765 by Sir George Macartney) and Count Nikita Panin, (brother of the General). These concerned the renewal of the 1734 Trade Treaty and a new tariff more favorable to Britain as well as a defensive Alliance that would tie Russia to British interests and keep French influence out of Poland and Turkey. As both sides were particularly eager to arrive at a speedy conclusion, it was essential that no event such as the Gomm affair become so serious as to jeopardize the already strained and delicate negotiations.²²

Consequently, the Committee felt that, given more favourable trading conditions, Gomm should have done better. Therefore, rather than terminate his entire operation with insistent demands that he immediately pay back the massive loans, it recommended several immediate remedial steps in its report.²³ He was to try to win contracts from various foreign countries for at least twenty ships a year to be built in his yards under the supervision of the old master shipbuilder Lambe Yeames.²⁴ All masts, timber and iron exports in his ships were subject to the very low Onega tariff rates

²² For a full discussion of the negotiations, see my work, «The Anglo-Russian Trade Treaty of 1766». PhD (unpub.), University of Cambridge, 1976. The Trade Treaty and Tariff were ratified in 1766 after considerable confusion and compromise. D. RANSEL, *Politics and Catherine the Great; The Rise of the Panin Party* (New Haven, 1975) can also be consulted for background political events.

²³ «On the conditions of the lease of the Arkhangelsk wood trade to the English merchant Gomm», *PSZ/XVI*, 15 August 1764, p. 803 ff.

²⁴ *Ibid.* This was the same Yeames who had come out to Russia on invitation of Peter the Great in 1703.

and he was allowed to establish his own spinning and sailcloth factories if he so desired. More important, the State reaffirmed its 1760 decision that after all debts had been paid off, Gomm or his heirs were the sole owners of all ships, equipment and property he had purchased in the north.²⁵

His biggest success was to come in the summer of 1765 when Catherine on the advice of Gomm's new patron, Count Panin, appointed him as one of two court bankers.²⁶ Indeed, there was some justification in this new position as Gomm had some previous banking experience. In 1763, he had tried to take advantage of the economic crisis following the war to suggest a plan establishing a direct exchange rate between London and St. Petersburg, thus obviating the need for all merchants to trade on the Amsterdam money market with its high commission rate. Needless to say, the Amsterdam merchants and banks were furious and successfully countered Gomm's suggestion by refusing to accept 300,000 florins of his exchange bills unless he abandoned the idea — which he quickly did.²⁷

Gomm, in this new role, worked for the Russian government by transferring money to Russian agents abroad, especially in Turkey. In a more under-handed manner, he now took full advantage of his new position to underbid other foreign traders in the sale of state-owned goods, thus creating for himself the advantage of controlling many of the exports leaving Russia.²⁸ At the same time Panin recommended that the government establish a department of nineteen officials to prepare detailed maps and charts of the Archangel region which would aid the lumber indu-

²⁵ *Ibid.* Some restrictions were made on the land recovered for the Admiralty, and the minimum measurements for growth of a tree before cutting. The 1760 guarantors were released from their responsibility and the English merchant Ramsbottom was appointed in their stead.

²⁶ Gomm was to act as a counter-weight to the other appointee, a "Mr. Kertz", of Livonia who was attached to the Orlov camp, and hostile to Panin. See letter of the French resident Bausset to the Duc de Praslin (in Versailles), 10 August 1765, *Sbornik imperatorskogo russkogo istoricheskogo obschestvo (SIRIO)*, CXL.

²⁷ « Broglie Mss. K157, *op. cit.*, ff. 68-70.

²⁸ *SIRIO*, CXL, Berenger to Praslin, 8 November 1763, p. 265.

stry.²⁹ With this governmental support, his fortunes improved. He built 24 ships in 1764-65, each ranging in size from 300 to 500 tons. The French Consul in St. Petersburg remarked that profits were high since the materials cost virtually nothing and labour was cheap.³⁰

An eye-witness account by a German serving in the Russian service, Jakob von Sievers, revealed that Gomm possessed at the end of 1766 five saw mills with twenty four saws, some of which ran 12-14 hours a day, and three more under construction in the Onega region, a counting house at Onega, rope and anchor works and several storehouses. In Archangel he had three wharfs, a saw mill, blacksmith shop and warehouses.³¹ In the bay beside the 'well-built houses' along the wharf on the Ustyanskoy river was, wrote Sievers, "the most astonishing sight" of thirty-three British ships being loaded with timber.³² Supplying these newly built ships with ropes, potash, and provisions were a number of artisan's shops, supervised by a British master, with a "careful and well-trained" Russian work force.³³

All this power and influence had its price, and in Gomm's case it was the loss of many of the friendships and credit he had developed with the Factory members in Russia. William Maister, a British merchant, said coldly that he "never put (my) welfare in the hands of one whose own depends on a fluctuating machine";³⁴ HM trade consul, Samuel Swallow, and many of the other Factory members concurred with this sentiment.

But Gomm did not lack for powerful friends, especially at court. His plan in 1766 to send two sons of prominent Archangel merchants to England for training in his counting house met with a very favourable reception from the important economic advisor

²⁹ TSEITLIN, p. 87 fl.

³⁰ Bausset to Praslin, 3 November, 1765, *SIRIO*, CXL, 564.

³¹ TSEITLIN, p. 85.

³² A. BLUM (ed.), *Ein Russische Staatsmann, Jakob Sievers, Denkwürdigkeiten*, 3 vols. (Leipzig, 1857), I, p. 230.

³³ *Ibid.*, p. 229.

³⁴ William Maister to Samuel Swallow, 2 September, 1766; 23 October, 1766. *Maister Papers*, Kingston-upon-Hull Public Library.

to Empress Catherine, Grigorii Teplov, and the Empress herself felt that this would be a great step forward in the creation of a strong Russian merchant class.

By early 1767, the bubble finally burst. The French observer at court, L'abbé Guyot, reported that Gomm's patron Panin was still involved in the long smoldering Panin-Orlov rivalry at court and that the Orlovs, had spread the rumour that Gomm was bankrupt as a result of the refusal of the two Amsterdam banks Clifford and Soan, and Hope and Company, to honour over 180,000 roubles in exchange bills.³⁶ In fact, Clifford and Son heard that Gomm had received over 800,000 roubles in revenue in 1765 and had demanded to repay an old debt of 127,000 roubles before honouring any of his future contracts. The result was disastrous for Gomm: his reputation was harmed, and he owed the State advances from various enterprises amounting to one million roubles. Panin ordered another thorough examination of Gomm's finances. He found that Gomm had overextended all his commercial activities in the Kola area and had relied too heavily upon anticipated revenue which, in this instance, was slow in coming. Only the intervention of the Governor of Moscow with a loan of 193,000 roubles saved Gomm from complete ruin although this generous act caused the rouble exchange rate to fall 5% in Amsterdam.³⁷

The Empress anxiously wrote to Panin saying that once again it was necessary to support Gomm with a loan or face the prospect of his going bankrupt.³⁸ Great efforts were made to sell off his saw mills and spinning factories to raise new credit. This new support was still not enough for Gomm never recovered completely from the loss of confidence in Amsterdam. Later that year, Gomm's

³⁵ FIRSOV, *Pravitel'stvo*, p. 105 ff.

³⁶ Guyot to Duc de Choiseul, 15 June, 1767, *SIRIO*, CXLII, pp. 310-12.

³⁷ *Ibid.*, Guyot also mentioned that the Dutch banking establishment's resentment was so great, it told Gomm to go elsewhere (Cadiz or Hamburg) for exchange privileges. Count Musin-Pushkin in London claimed at this time that Gomm spent more money on his wife than on merchant affairs. A. ALEKSANDREKO, *Russkie diplomaticheskii agenty v Londone v XVIII veke*, 2 vols. (Warsaw, 1897), I, p. 276.

³⁸ TSEITLIN, p. 88.

creditors had all his property in England and Holland seized and sold up, realizing scarcely one third of its real value.³⁹

After 1769, Gomm's activities were on a more minor scale. Whereas in 1762-1768, 251 ships had sailed to England and Holland with wood, this total dropped to only 95 in 1769-1774. By 1774, against obligations of nearly 2 million roubles, Gomm had assets of just over 300,000 roubles. Yet, despite his declining role in the Russian trade, he was still a prominent merchant in the St. Petersburg community. In 1771 he signed a petition with a number of other merchants urging the British government to press Russia to lift the quarantine restrictions on hemp and flax goods held up in Moscow on account of the plague.⁴⁰ He also appears to have retained a certain importance in the British Factory in the city; he became a master of one of the best Freemason lodges in the city, and a close acquaintance of Admiral Sir Charles Knowles who had arrived in Russia in 1771 to reorganize the Russian navy.⁴¹ His activities, however, tended to subside and he left Russia in the early 1780's to take up a position as Secretary of His Majesty's Embassy in The Hague. He died in 1792 in Bath, survived by his wife and two daughters, and was buried in Bath Abbey where a plaque still stands to commemorate one of the most dynamic British merchants in 18th century Russian history.⁴²

Some observers and historians have been quick to pass a negative judgement upon the role of Shuvalov and Gomm in the economic development of Russia. Abbé Guyot remarked that the general

³⁹ TsGADA (Moscow). Gosarkhiv, razryad XIX delo 286, Perepiska po Komissii o Kommertsii, chast' 1: 1768-77, II, 329. Information by courtesy of Dr. Roger Barlett, Keele University.

⁴⁰ «Petition to Earl of Suffolk» (22 Nov. 1771), *State Papers* 91, vol. 88, f. 264. Public Records Office, London.

⁴¹ See my article, «Admiral Sir Charles Knowles and the Russian Navy, 1771-1774» *Mariner's Mirror*, vol. 65, February, 1975; A.G. CROSS, *British Freemasons in Russia*, Oxford Slavonic Papers, N.S., IV (1971), p. 69.

⁴² Both daughters remained in Russia for many years where they became well-known court figures and one, Jane Gomm, later became a governess to George III. For more information on the descendants see «Sir William Maynard Gomm», *Dictionary of National Biography*, XXII; P. BARTENOV, ed., *Arkhiv knyaz' Vorontsov*, 40 vols. (Moscow, 1870-90); XXII, 181; XXIX, 274.

discredit given to Russian rouble currency in Amsterdam was partially a result of the Empress's continual loans to support Gomm's "shaky financial condition" and "over-extended empire".⁴³ Certainly Count Shuvalov's reputation has suffered lamentably as a result of his dealing with Gomm. Prince Shcherbatov's devastating description of his riotous dissipated life at the expense of the country is strong reading.

« Pyotr Ivanovich Shuvalov was a clever man, quick, ambitious, covetous and luxurious... He realized that the state revenues were not properly organized, while the Empress was luxurious and voluptuous. While the Senate, having no information concerning what sums were available, and where, was always complaining of the lack of funds, Shuvalov always said that there were plenty, and was able to find the sums necessary to satisfy the Empress's luxury... In a word, although he then had an income of over 400,000 roubles, yet this was not enough to cover his luxury, licentiousness and gifts for the Empress's followers, and he died over a million roubles in debt to the treasury. »⁴⁴

Another figure of the age, Prince Shakhovskoy, left a vituperative picture in his memoirs of Shuvalov manipulating the tariff of 1753 and the merchant bank to serve his own ends in the iron, tobacco and timber trade.⁴⁵ This view has been perpetuated by various historians including N.N. Firsov, who reiterated in 1922 the charge that the monopoly of Gomm and Shuvalov had completely destroyed not only the timber trade in the north but its "whole economic life", and insisted Shuvalov be labeled a "swindler" (*aférist*) for buying up wood at a low price.⁴⁶

⁴³ Abbé Guyot to Duc de Choiseul, 15 June 1767, *op. cit.*, Guyot also noted the pernicious influence of the right of British traders to pay customs duties in devalued paper money, as well as the low intrinsic value of all Russian coins.

⁴⁴ LENTIN, pp. 209, 223.

⁴⁵ PRINCE YAKOV SHAKHOVSKOY, *Zapiski*, (St. Petersburg, 1871).

⁴⁶ N. N. FIRSOV, *Russkaya torgovo-promyshlenniga Kompanii v Liu polovinu XVIII stoletiya* (Kazan', 1922). In this edition, printed just after the period of British intervention in the Archangel area, Firsov treated his new anti-imperialist readers with more vociferous accusations that Gomm and friends had devastated and ruined the *whole* northern economy. A slightly more balanced view is found in the first edition of 1896.

While it appears a certain amount of the hostility towards Shuvalov and Gomm in their timber operations was generated by a few discontented merchants and Shuvalov's enemies at court, a more thorough examination of Gomm and his monopoly shows this criticism to be somewhat unjustified. Sir George Macartney wrote in his book of Russian experiences that new prosperity of the north provided a striking example of Gomm's "genius and industry".⁴⁷ Macartney noted that:

« All the great discoveries and improvements made in this Empire have been imagined and conducted by foreigners. . . . The creation of a new port at Onega on the White Sea, utterly unknown a few years ago, but now annually frequented by near 30,000 tons of shipping, is entirely owing to the genius and industry of Mr. Gomm, an English merchant at St. Petersburg . . . »⁴⁸

The Reverend John King, Chaplain to the British Factory in 1766, shared Macartney's high opinion of William Gomm and advised a friend to invest 5,000 roubles in Gomm's enterprises.⁴⁹

Nor was the favourable impression confined to some of the British factory. In 1774, a number of government officials, including Count Nikita Panin, who investigated Gomm's business, felt that his timber trade had brought prosperity to the whole Onega area;⁵⁰ the inhabitants generally had been happy, were prosperous and paid their taxes regularly. Some even possessed gold and silver, a most unusual feature at a time when the government was calling in all precious metals. Local inhabitants enjoyed full-time employment, cutting timber in winter and farming in the summer. Only when the timber trade in the 1780's declined did some of the prosperity fade and people begin to move out of Kola to other areas.⁵¹ Further investigations have substan-

⁴⁷ SIR GEORGE MACARTNEY, *An Account of Russia in the Year 1767* (London, 1768), Chapter LIII.

⁴⁸ Macartney's comment on the state of manufacture in Russia, 1766-7 is in Add Mss. 33,764, British Library (London).

⁴⁹ A. G. GROSS, "Introduction" to a forthcoming reprint of Macartney's *Account of Russia*.

⁵⁰ TsGADA, Gosarkhiv, *op cit.*, II, 339.

⁵¹ *Ibid.*

tiated this view. The two famous XVIIIth century historians of the north, Fomin and Krestinin, both wrote of the 'great trade in turpentine, tar, fish, hemp and flax which started up in the 1770's and 1780's based on merchants' capital resources originally gained in the timber trade.⁵²

A more recent Soviet work has shown that the entire northern region benefited from the great increase in trade after 1750 and was reflected in the growth of trading towns like Onega, Petrozavodsk, Vologda, Ustiug Veliki, and Kargopol'.⁵³ Another historian wrote that Gomm's shipbuilding activity in the 1760's provided work for many of Archangel's carpenters and builders, giving rise to the hope (though not to be fully realized) that his newly skilled group could be used for establishing the foundation for a Russian trading fleet.⁵⁴

In conclusion, Gomm's example provides important information on the inter-relationships of foreign entrepreneurs, especially the British merchants in Russia, with not only Russian bureaucracy but also the Russian entrepreneurs. We have seen the currents of several trends: the need to use British skill for exploitation and marketing of the timber, the demands from local merchants for a larger share of the trade at the expense of the foreigner, and the pleas from certain court economic advisors that timber be not exported under any condition if it affected the rise of domestic prices. At the same time Gomm's own behaviour reflected a certain type of careless attitude some Western merchants had towards Russia. For many years he never went near Archangel or to Onega to inspect his business, nor did he have any proper knowledge of

⁵² N.K. KARATAEV, *Ocherki po istorii ekonomicheskikh nauk v Rossii XVIII veka*, (Moscow, 1960), pp. 210-212; Krestinin's writings have been analysed by S.L. Pestich in « Nachalo butzhuaznoy istoricheskoy nauki v Rossii. Trudy V.V. Krestinina i M.D. Chulkova » in his book *Russkaya istoriografiya XVIII veka*, Chast' II, (Leningrad, 1965), pp. 296-343.

⁵³ Iu R. KLOKMAN, *Sotsial'no ekonomicheskaya istoriya russkogo goroda. Vtoraya polovina XVIII veka*, (Moscow, 1967), 180-2, 306-310; and his *Ocherki sotsial'no ekonomicheskoy istorii gorodov severo-zapada Rossii v XVIII v.*, (Moscow, 1960, 140-2).

⁵⁴ N. OGORODNIKOV, *Istoriya goroda Arkhangelsk*, (St. Petersburg, 1st ed. 1875), p. 227. See also N. OZERETSKAVSKY, *Opisanie Koly i Astrakhani* (St. Petersburg, 1804), 6 ff.

the geography of the area; rather he did every thing through agents who were either inefficient or lazy. Moreover throughout his business career Gomm proved to be too intent on making huge profits in a short time, rather than slowly building up a solid base of operations. Yet, at the same time, it was obvious that Count Panin and the Government did not want to ruin Gomm because they believed his business was fundamentally sound. Russia needed the money from foreign trade as much as Gomm needed to supply British customers. Gomm's case was yet another example of interdependency in economic matters that was long to outlive any political animosities.