ARTICLES

*The International Houses: The Continental Contribution to British Commerce, 1800-1860**

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The nature and development of the International Houses in the eighteenth and nineteenth centuries needs some initial definition. The Houses were by no means a new feature of the European economic landscape; De Roover has shown how Tuscan and other international banks of the fifteenth century developed a form of organisation that could be called a combination of partnerships. These banks consisted of a parent partnership, characteristically located in Florence, which had a controlling interest in several subsidiary partnerships, one for each branch abroad.[1] In other words, an International House may be conveniently defined as a merchant enterprise simultaneously functioning in two or more countries. The organisation persisted from the middle ages, but did not receive a major fillip until economic expansion coincided with persecution and dispersion of religious minorities in the late seventeenth and eighteenth centuries.

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1 R. DE ROOVER, *New Interpretations of the History of Banking*, « Cahiers d'Histoire Mondiale », II (1954), pp. 47-8. D. S. LANDES, *Bankers and Pashas* (1958), pp. 16-28 for a lively survey of international financial houses in the nineteenth century.

The outlook and practice of the International Houses is best identified in relation to more familiar European and American mercantile habits and conventions. Postlethwayt explained in 1774 that "The most capital houses of mercantile trade throughout Europe being generally composed of several partners, it is customary for one or the other to travel into foreign countries to make better judgement of the credit and fortune of their correspondents, cement ties of commercial friendship, and extend their traffic in general. As foreign merchants resort to England with this intent, so the English frequently take the tour into foreign countries".[2] But such commercial exploration was typically for periods of up to two or three years, seldom longer except in the case of Russia, and in no sense implied permanent residence.[3] A growing number of young men went to North America, the West Indies, India and (later) South America to make their fortunes, but they too travelled in the hope of a successful return within a measurable period of time. The second component of the International House, that is to say, is that its international representation was permanent; it was not a temporary situation that arose when sons or partners were abroad.

Several historians have drawn attention to the considerable number of foreign-born merchants permanently resident in London by the middle of the eighteenth century. T. S. Ashton, for instance, records that of 810 merchants who kissed the hand of George III at his accession in 1760, at least 250 must have been of alien origin.[4] Analysis of Mortimer's *Universal Director* (1763) by Ashton's technique, that is, of identifying non-British surnames, also shows a considerable number of foreigners (about 300), but the percentage of the total number of merchants and factors (22 per cent) is lower than Ashton's. Among this group of alien residents, we know something of the Dutch Jews who came over as London

[2] M. POSTLETHWAYT, *Universal Dictionary of Trade and Commerce* (1774) art. on « Mercantile College ». R. CAMPBELL, *The London Tradesman* (1747), pp. 293-4.

[3] Russia was an exception to this generalisation, for alien merchants who did not become naturalised were greatly disadvantaged - P.R.O. FO 83/111.

[4] T. S. ASHTON, *An Economic History of England: the XVIIIth Century* (1955), p. 140.

succeeded Amsterdam as a centre for international exchanges, and who played such a major role in London banking and insurance, and as investors in government stocks.[5] From French historians, we are also familiar with the activities of the "international Hugenots", whose family dynasties linked Geneva, Berne, Paris, Frankfurt, and other European centres with London, and who (in the words of Lüthy) "practically monopolised the financial relations between England and France" in the eighteenth century.[6] It was these wealthy eighteenth century families, characteristically operating in two, three, or four mercantile centres simultaneously, that represented the successful revival of the practice of the international house. The aim of this essay is to trace their continuing importance from London into the provinces, and from "pure" finance into support of the "new frontier" industries of Britain, in the late eighteenth and nineteenth centuries.

It might easily be supposed that as Britain emerged as the premier world trading nation, and the United States as the country par excellence for migrants, the mercantile families of these two countries would generate more International Houses than any other country. Certainly it can be shown that in 1850 (and probably much earlier) there were more British firms resident abroad than those of any other single country.[7] But, as will be demonstrated in the next section, these firms were invariably commission agents, men of little capital out to seek their fortunes and return home, much as the eighteenth-century adventurers had done. The growing trade areas of the first half of the nineteenth century, India, the Far East, and South America, offered little incentive to Europeans to permanent settlement. What was characteristic of Britain was even more true of the United States. Merchant houses sent partners or agents abroad for two or three years, so the number of American firms established abroad was small in relation to the country's

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[5] C. WILSON, *Anglo-Dutch Commerce and Finance in the 18th Century* (Cambridge, 1941), pp. 42, 54, 94, 106-7, etc. A. C. CARTER, *Financial Activities of the Hugenots in London and Amsterdam in the mid-Eighteenth Century*, « Proc. Hugenot Soc. », XIX (1959).

[6] H. LÜTHY, *La banque protestante en France*, II, *1730-1794* (Paris, 1961), p. 318.

[7] Table 3, below.

trade. Until at least the middle of the nineteenth century, U. S. firms preferred the "adventure" kind of enterprise, with the ship's captain fulfilling the main entrepreneurial role.[8]

During the French Wars (1793-1815), the French and Dutch emigrés were overtaken by a new wave of international trading families, many of them, like the Hugenots and Amsterdam Jews, deriving from religious or ethnic minorities. The Jews and other German families from Hamburg, Frankfurt, Berlin, and Leipzig were settling in London and northern industrial towns at the same time as some notable Irish Presbyterian families with U. S. trading connections. They were followed, in the 1830s and 1840s, by large numbers of Ottomans, mostly from the Greek Orthodox religious minority. These groups shared common characteristics with the Hugenots. They had a similar international commercial outlook that often survived into the third and fourth generations, and an un-British reluctance to desert trade for the security of landed estate, the Church, or the professions. They had sufficient capital, credit, or connections, and adequate commercial experience, to keep one step ahead of the vagaries of fashion, war, revolution and royal folly. And they shared a sectarian outlook that interlocked families in chains of partnerships and marriages and loyalties that spanned the dispersed partnerships.

Inevitably some families were more successful than others, but the very process of separation of the strong from the weak seemed to make the outstanding firms seem even more powerful. As in biological evolution, the strong chose the strong as partners, so that out of a crowd of small and middling firms, a core of dynastic houses persisted, with partnership changes, for much of the mineteenth century. But the continuity of the house was never left to the forces of hereditary and marriage alone. The new generation was carefully tested by experience in two or three countries, and shifted where need and opportunity offered; me-

[8] B(ank) of E(ngland) Archives, M(anchester) Letters, 17 Jan 1837: « Very few of the parties who represent the American houses in our market can be looked upon as permanent residents as they are constantly changing . . . ». V. B. REBER, *British Mercantile Houses in Buenos Aires, 1810-80.* Ph.D. thesis, Wisconsin, 1972, pp. 123-5. The point is developed more fully in Section III, below.

diocre sons were dropped in favour of more talented nephews, sons-in-law, second cousins, or talented outsiders.[9] Promising family connections were sponsored or encouraged in new outposts of the dynasty's trade, all of course sheltered by the assurance of the Pax Britannica and, very often, of British nationality in the relevant branches of the family.[10] The International House was, as we shall see, an organisation well suited to the uncertainties and vicissitudes of nineteenth-century trade, flexible enough to respond to the opportunities of developing industry, yet sufficiently stable to draw on the credit of traditional channels of trade. Its smooth competence kept it out of the news and hence of historical annals, so that its contribution to British commerce has been largely overlooked.[11]

There is not space in this essay to describe the long process of urban and mercantile evolution that had shaped these migrant families, but two important factors must be underlined. The cities from which they were drawn — principally Frankfurt, Hamburg, and Constantinople — were not only imperial cities, but also international entrepôts. Their prosperity was derived from their location at the focus of a mosaic of small states and at the meeting point of different ethnic and religious traditions, so that over the centuries each evolved an élite of mercantile families drawn from various races and creeds. Their situation, that is to say, had been broadly favourable to the development of what Bergeron calls "an aristocracy that knew no national frontiers", and had limited local loyalties.[12] The other important point is that the course of trade development in the eighteenth century generated a strong interest in "colonial goods" — sugar, tobacco, cotton, "drugs"

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[9] The "black sheep" of the family is seldom mentioned in business histories or biographies, but for a telling case see the MS. diaries of George A. Brown (1803-61) of Brown, Shipley & Co., Liverpool merchant bankers (L'pool P.L.).

[10] British nationality was often required to open accounts with English banks.

[11] The main exceptions to this generalisation are B. GILLE, *Histoire de la maison Rothschild*, 2 Vols. (Geneva, 1965-7) and E. J. PERKINS, *Financing Anglo-American Trade: the House of Brown 1800-80* (Harvard, 1975). Both are thin on Britain.

[12] L. BERGERON, *Les banquiers rhenans, fin du XVIIIe siècle au debut du XIXe siècle*, « Bulletin du Centre d'Histoire economique et sociale de la région lyonnaise » 1975.

(mordants and dyestuffs), printed textiles, etc. — a trade which increasingly centred on London but circulated through Europe, often through the channels provided by the Hugenots and Dutch Jews.[13] Inevitably, the most enterprising of these international families sought a direct interest in Britain's growing colonial and trans-Atlantic commerce. The extension of their family interests to Britain, and the organisation and results of their trade here, form the main subject matter of this essay.

I

The first settlement of German International Houses came as the immediate consequence of two late eighteenth-century developments, the triumph of the British cotton industry and the curtailment of the normal channels of trade caused by the prolonged period of European war. In London, the Germans joined an established community of some forty Hamburg merchants, many of them of German origin, but in the north of England the settlement of foreigners was a novel experience. At the turn of the century, the traditional commerce of the great German fairs of Frankfurt-on-the-Main, Leipzig, Brunswick, and Nuremberg, was being bypassed by direct consignments to particular mercantile houses,[14] a process as much encouraged by German importers visiting Manchester and Glasgow as the merchants of those towns touring their correspondents in Europe. The first German settler of whom we have any considerable knowledge, N. M. Rothschild of Frankfurt, one of the sons of a Jewish house specialising in the English textile trade, at first conducted most of his trade with visitors from his own country.[15] In a typical letter, he explained how residence in Manchester could be more profitable to him and

[13] For French interests, see H. LÜTHY, *op. cit.* For German, A. DIETZ, *op. cit.* In 1810 there were 90 merchant houses in Frankfurt trading in "colonial goods", see list in [ANON.], *Geschichte der Handelskammer zu Frankfurt a.M., 1707-1908* (Frankfurt, 1908), pp. 188-9.

[14] A. REDFORD, *Manchester Merchants and Foreign Trade* (Manchester, 1934), p. 95.

[15] Letter Books of N. M. Rothschild (& Sons); 17 Oct 1802. He charged his customers five per cent commission.

his buyers: "the Manufacturers of Muslin Goods having generally at the close of the Year a great Necessity for money in order to settle their accounts are obliged to sell their goods 10 and 12 p. ct. cheaper than they would at any other time and sometimes at prime cost, so that I can send you goods of good quality in the month of November . . . 10 p. ct. cheaper than what you would get for them in the Spring at the fair in Frankfurt. The goods . . . will arrive at Liège 4 or 5 weeks before the Fair at Frankfurt . . .".[16]

Such a profitable business soon attracted the younger sons of other established houses. Souchay and Du Fay, two Hugenot families well established in Frankfurt, sent members of their family soon after the turn of the century, and other merchants of the town in the English trade followed. Oppenheimer & Liepmann of Berlin settled in Manchester in 1801, and H. J. Merck of Hamburg in 1806, each to be followed by a larger contingent from his trading community.[17] Young Rothschild brought his own train of relatives and connections, notably the Reiss brothers of Frankfurt and Amsterdam, one of whom took up residence in Glasgow in 1803, his distant cousin, N. M. Rindskopf, who settled in London in 1805, and his brother-in-law Benedikt Worms, who opened his London bank in 1815.[18] Clusters of family enterprises, already a familiar feature of the Hugenot and Jewish merchants of London, were to become characteristic of the newcomers as each successful entrepreneur attracted his relatives to join him.

Hamburg and Frankfurt were occupied by Napoleon's army between 1806 and 1812 and their trade suffered from the blockade. London became the principal centre for trade with Russia and the newly-opening markets of Latin America, as well as with the colonial territories of the West Indies and India, and the U.S.A. So several Hamburg houses tried to keep in business by moving

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16 Rothschild Ltr Bks., 27 July and 31 Oct 1802.

17 See List of Early German Houses in Manchester ,1797-1815, in John Scholes Ms., Manchester P.L.

18 Rothschild Ltr Bks, 8 Oct 1805 et seq., A. DIETZ, *Frankfurter Handelsgeschichte*, IV (1925), p. 331. Other emigrants included M. A. Rothschild's son-in-law B. J. Sichel and brother-in-law N. L. Hanau.

to London, or more likely following the traditional practice of sending one or more of their sons.[19] Among the best known firms that were founded in this way, Schröders came in 1802, E. H. Brandt in 1805, Frederick Huth in 1809, and Fruhling & Goschen in 1814. The early history of some of these firms is not easy to discern, but it seems that the first two were engaged in the Baltic trade and the last two in Spanish-American business.[20] Rothschild moved from Manchester to London in 1808, leaving his chief clerk in charge in the north, and Souchay opened an office in London in 1806. The new arrivals built on existing continental firms in London, Brandt on Rougement & Behrens, the leading Hugenot house, Huth on Firmin de Tastel, a well-known Spanish house, and Rothschild initially on Soloman Solomans and Goldsmid & Eliason, two Dutch-Jewish merchant houses with whom his father had close connections in Frankfurt.[21] J. F. Schröder seems to have functioned as an accepting house from his arrival in London, no doubt drawing on his father's £ 200,000 fortune, while Souchay's simultaneous opening of offices in London and Manchester hints at similar enterprise, though he did not formally identify himself as a merchant banker until 1825.[22] In Manchester, the position is not so well documented, but there is some evidence of a comparable network of credit between old and new continental houses. For instance, Oppenheimer & Liepmann acted as Manchester agents for Barrick & Simon of Berlin, and were granted credits by London merchants Donaldson, Glenny & May under the guarantee of Conrad Donner of Altona.[23]

The London merchants who functioned as accepting houses preferred to allow credit to agents permanently resident in Britain,

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19 H. KANTER, *Die Entwickling des Handels ... zu Frankfurt a.M.* (Tübingen, 1902). A. DIETZ, *op. cit.*, p. 333.

20 Records of J. H. Schroder, Wagg & Co., London and Hamburg. E. AMBURGER, *William Brandt and the Story of his Enterprises* (trans. of German typescript, 1937) and Brandt MSS., Nottingham University Lib. J. R. FREEDMAN, *A London Merchant Bank in Anglo-American Trade*, Ph.D. thesis, London, 1967, pp. 11-13. T. J. SPINNER, *G. J. Goschen: the Transformation of a Victorian Liberal* (Cambridge, 1973), p. 2.

21 Brandt letters, 1818 bundle (Nottingham Univ. Lib.) Olver-Huth letters, 1812 (Devon R.O., Plymouth). Rothschild Ltr. Bks., 1800-05.

22 Rothschild Ltr. Bks., 3 Nov 1802. A. DIETZ, *op. cit.*, IV, p. 331.

23 P.R.O. E 112/1792/6456 (1804).

and commonly insisted on such residence because experience had taught them that the legal process of recovering debts abroad was impossibly expensive. Thus Firmin de Tastel advised Boulton & Watt it would be rash to rely on foreign guarantees when selling their steam engines abroad. "Were we in your place", his firm wrote in 1794, "we would . . . not be satisfied with a guarantee abroad but we should require one in England, and if you cannot do foreign business on these terms you will in our opinion do better not to undertake it".[24] Such a policy evidently favoured the new German arrivals and ensured the continuity of their trade when the war was over. Moreover, the "old style" merchants expected a net profit of fifteen to twenty per cent on their sales, while Rothschild and his successors hoped to obtain a much bigger turnover with a commission of five to ten per cent, a rate which he insisted (no doubt with justice) was "much less than what most Houses in Manchester would do business for".[25] There can be little doubt that the evolution of commercial practice in the first half of the nineteenth century was on the trend of rising turnover and thinner profit margins, a trend which harmonised with, if it was not led by, the practices of the Napoleonic generation of German immigrants.[26]

A combination of circumstances after the French Wars, more especially the high rate of turnover of firms, falling profit margins, unstable banking conditions, and increasing cost of overseas selling, led to the ruin or enervation of many of the northern merchant-manufacturers and old London merchants.[27] In their place there emerged a sequence of specialists in London and the northern industrial towns, accepting houses (or merchants bankers), "foreign houses" (i.e. exporters on commission), and commission agents resident abroad, typically specialising in a sector of overseas markets

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24 Boulton & Watt MSS., Box 36 (Birmingham Ref. Lib.). Reference kindly sent by Dr. Jennifer Tann.

25 P.R.O. E 112/1773/5722 (1798), *Love v. Hepburn*, for profit rates. Rothschild ltr bks, 17 Oct 1802, 29 Aug 1804.

26 See eg. *Sel. Comm. on Manufactures*, P.P., 1833, VI, pp. 86, 254, 317, etc.

27 See eg. M. M. Edwards, *Growth of the British Cotton Trade, 1780-1815* (Manchester, 1967) pp. 22-3 (Lancs. merchant-manufacturers). *Sel. Comm. on Handloom Weavers*, P.P., 1834, p. 164 (Glasgow merchants), 1835, p. 168 (Leeds merchants).

such as North America, Europe, India and China, or Latin America. The merchant-manufacturer so far declined that by the middle of the nineteenth century it could be said that "at least seven-eighths or three-fourths" of the entire export business of Lancashire and Yorkshire was conducted by them, and a parallel change took place in Birmingham and Glasgow.[28] As the export trade of other leading industrial centres was financed by the same bankers, it is clear that the development was a national one. In 1836 it was explained that "Trade has . . . undergone a great change during the last ten years; weak and struggling manufacturers no longer consign goods to commission houses at New York, Philadelphia, Hamburg, Frankfurt and St. Petersburgh, but those who supply the consumers in the countries where the great commercial cities are situated come to our markets to select and purchase their own goods, and they pay for them by the aid of the wealthy and powerful firms connected with their respective localities. The agents who are called into operation to effect mercantile transactions are changed from commission merchants to commission bankers . . . [as] all their pecuniary affairs are of the nature of banking commissions . . ."[29]

Contemporaries believed that these changes amounted to "quite a revolution in trade",[30] and it was supposed that foreign traders had largely occupied the gaps left by British failures. "The convulsions of [the commercial crisis] of 1825-6 extended all over the commercial world and greatly affected the operation of the [British] continental merchants", the *Circular to Bankers* noted in 1828. "The vocation, as exporters of manufactures and produce, of that class of London merchants from which most of our Bank Directors were selected, is taken up by men of inferior station. The Jewish merchants of Prussia, Russia, and Germany (*sic*), who were formerly content with the trade of supplying the countries

[28] *Royal Cmm. on Depression in Trade*, Third Report, 1886, pp. 15, 21 (ev. of Sir J. C. Lee). For Birmingham see B. of E. B. Ltrs., 22 Jan 1827; for Glasgow *S. C. on Handloom Weavers*, 1834, pp. 51, 100; for Liverpool *S. C. on Manufactures*, 1835, pp. 251-2.

[29] *Circular to Bankers*, 1 July 1836, p. 404; 2 Sept 1836, p. 51; 15 Jan 1836, p. 201.

[30] *S. C. on Manufactures*, 1833, p. 95, ev. of G. Shaw, whose firm traded with Germany, Italy and the U.S.A. [Harry Behrens], *Sir Jacob Behrens* (1925) p. 32.

situated near to the Eastern boundary of Europe with British commodities, which they purchased from London merchants, are now as familiarly known as purchasers in the markets of Manchester, Bradford, Leeds, Paisley and Glasgow, as the London warehouseman.[31] In Manchester, the success of the "foreign houses" attracted local entrepreneurs to trying to adopt the same technique; so early as 1817 Swan & Buckley launched their partnership on the precise principles followed by N. M. Rothschild in his early years in the town (1799-1808), and they did not attempt to conceal their debt. The most important of the objects of their "General Agency Business for the purchasing of Cotton Twist and Manufactured Goods" were said to be:

(1) To purchase all goods from the manufacturer, either in the grey or finished state, without the intervention of a second party between the merchant and manufacturer.

(2) To finish all goods, whether for dyeing, printing, or bleaching, upon the most reasonable terms that can be obtained, the best arrangements having already been made with the most respectable houses in the various departments.

"Since the return of peace", they explained, "our relations with the rest of Europe have become almost general, and so directly is this market connected with the principal ones on the Continent, that from that period several foreign establishments have been formed here who are enjoying all the benefits we propose to you . . .".[32]

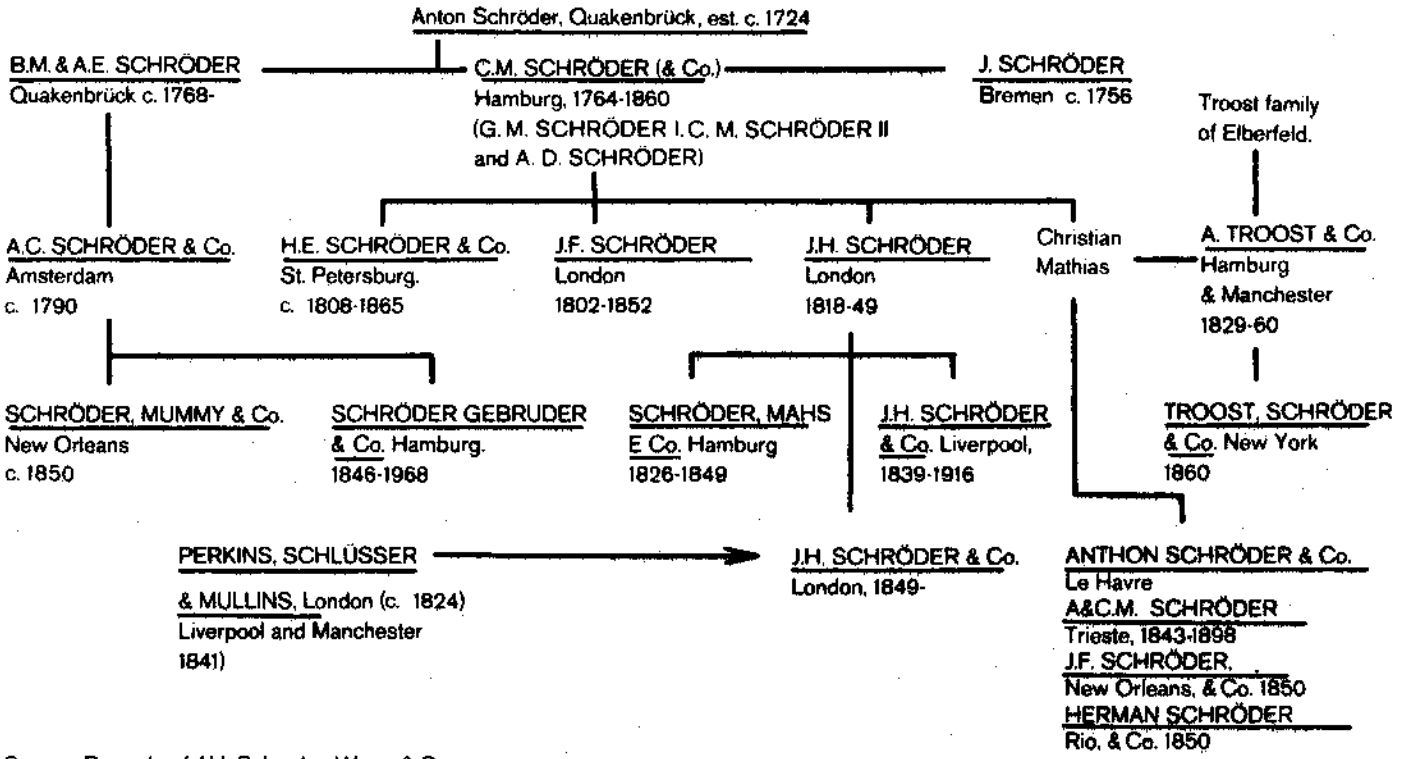
The number of German houses in the provinces grew particularly rapidly in the 1820s and 1830s (Table I). More young adventurers came over, but these were often members of, or connected with existing families. Existing houses strengthened their position by increasing the number of branches in Britain and abroad. A number of interesting and well-documented cases, Schröder, Liebert and Souchay, are shown in the adjacent Diagram One. Repeated use of the patronymic forenames, intermarriage of

[31] *Circular to Bankers*, 7 Mar 1828.
[32] Trade circular in Brandt letters, 1818 bundle.

DIAGRAM ONE

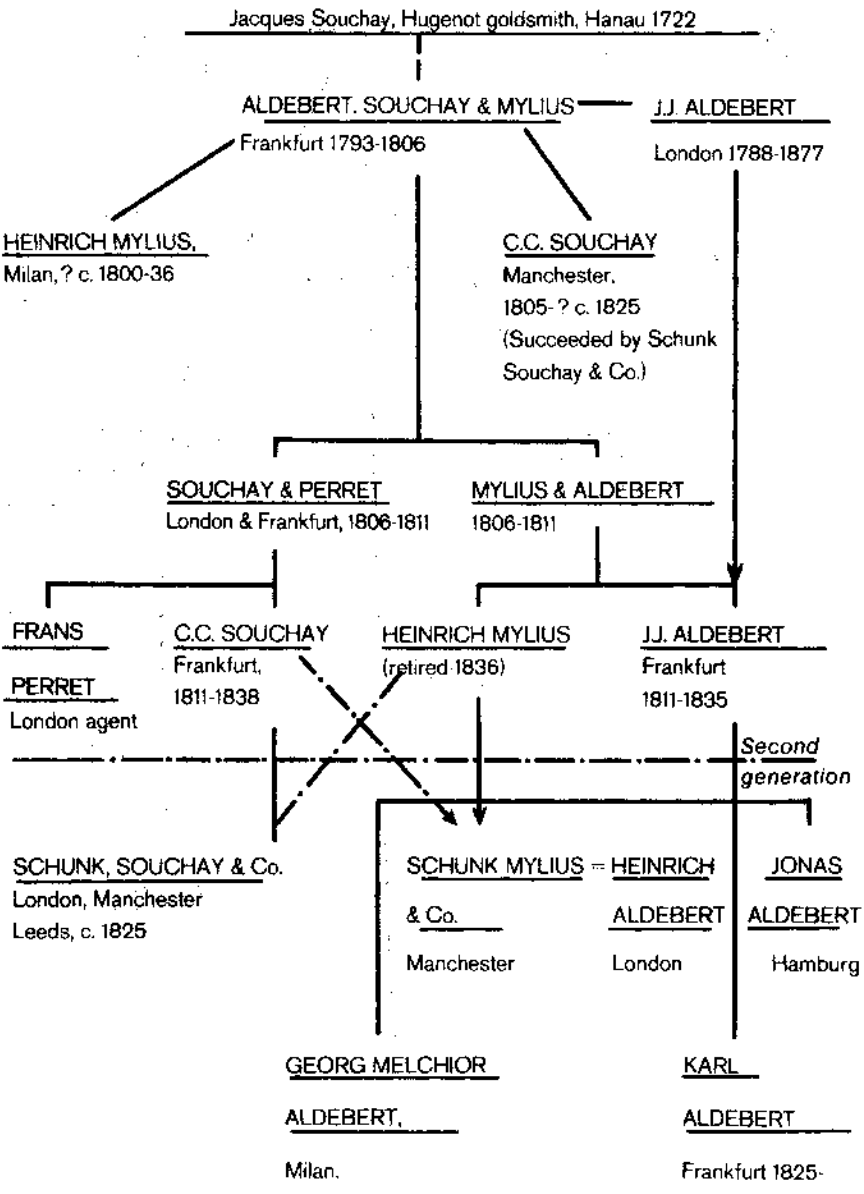
PATTERNS OF DEVELOPMENT OF INTERNATIONAL HOUSES

(I) SCHRÖDER FAMILY FIRMS IN THE FIRST HALF OF THE 19th CENTURY



Source: Records of J.H. Schroder, Wagg & Co. London and Hamburg. Brandt Circulars, 1856

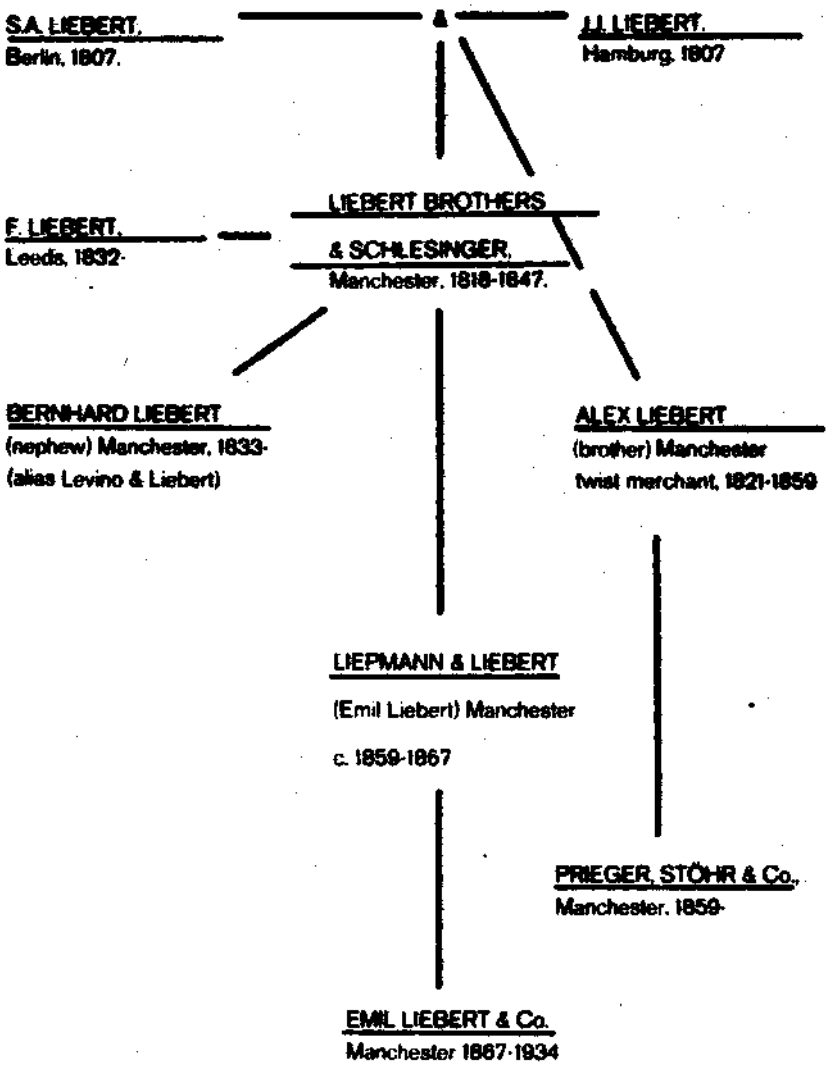
(2) THE SOUCHAY, MYLIUS & SCHUNK CONNECTION.



Source: A. Dietz, Frankfurter Handles geschichte, IV (1925), pp. 331-2

(3) THE LIEBERT FAMILY

A typical family connection of average size trading interest



Sources: Manchester Evening Mail, 26 July 1897. Bank of England: Manchester Letters, 3 Oct 1829, 15 Mar 1832, 31 Jan 1835; Leeds letters 1 June 1833.

the same families over two or three generations, and interlocking partnerships make it difficult to untangle the various enterprises, even where pedigrees are available. Complicated as the diagrams appear, they are a simplification of the actual situations, taking no account of links with "outside" families through junior partners and managers.

TABLE 1

NUMBER OF GERMAN MERCHANT HOUSES IN MANUFACTURING TOWNS OF BRITAIN, 1820-50

	1820	c. 1830	c. 1840	c. 1850
Manchester	28	61	84	97
Bradford	0	3	25	38
Leeds	0	2	10	?6
Nottingham	0	1	4	7
Birmingham	3	6	7	c. 12

Note: A few houses operated in more than one town, and so may be counted more than once

Sources:

Manchester: JOHN SCHOLES, *Foreign Merchants in Manchester 1784-1870*, Ms., Manchester Ref. Lib.

Bradford and Leeds: E. M. SIGSWORTH, *Black Dyke Mills* (Liverpool, 1958), p. 65, quoting local directories.

Nottingham: WHITE'S *Directory* (1832); PIGOT'S *Directory* (1841); LASCELLES' *Directory* (1848); A. DIETZ, *Stammbuch der Frankfurter Juden*, pp. 377-9.

Birmingham: local directories.

The numbers in Glasgow appear to have been insignificant.

There were other reasons for the migration of young Germans to Britain. It was customary for Hamburg merchants to send their sons abroad for some years, and as the main trade of this great ports was with London, numbers of them came to the British capital.[33] In 1822, a young friend from Nantes wrote to Daniel Meinertzhagen of Bremen that "for learning commerce, London is without exception the best school. You are here in the centre of universal business, and you can know [at first hand] what goods come from each country and what goods they want in return". Shortly afterwards, Daniel came to London and was taken into the house of Frederik Huth & Co.[34]

Many of the German merchants who settled in other countries were Jews, and there can be no doubt that they were seeking social acceptance as well as economic gain. It is impossible to say how many Jewish merchants left Germany and where they went.

[33] *Reports from H. M. Diplomatic and Consular Offices*, P.P. 1860, LVXI, p. 104.

[34] G. MEINERTZHAGEN, *A Bremen Family* (1912), p. 251.

but some details assembled in Alexander Dietz's *Stammbuch der Frankfurter Juden* gives a useful impression of the dispersion of trading and professional families. Of 365 m who left the town in the early nineteenth century, 113 went to France (nearly all to Paris), 89 to Britain (London 66, Manchester 14), 52 to the U.S.A. (or which New York 31), 47 to the Low Countries, 41 to Vienna, and 14 to various Italian cities. A dozen Jewish families trading in English textiles sent one or more of their sons to follow N. M. Rothschild to Manchester.[35] The dispersion not only created a web of trading connections, but generated a flow of information on the degrees of toleration afforded to Jews.

It is difficult to assess the strength of feeling on such matters because there is little biographical evidence and attitudes changed after 1848 with the rise of German national feeling, but some guidance may be found in the general history of the emancipation of the Jews in states occupied by the French and the retraction of civic rights in the conservative reaction of the post-war years. At the Congress of Vienna (1815) it was the premier trading cities of Hamburg, Frankfurt, Bremen and Lübeck that pressed for the revocation of the rights granted during the French era. Sporadic progress was made in the next fifty years, but it was 1871 before full emancipation was achieved.[36] In Manchester and Nottingham, a number of the emigré Germans became members of the Unitarian Church, a religious denomination noted for its liberal theology, intellectual culture, and progressive philanthropy, and attractive to those seeking cultural assimilation. Later, German Lutheran churches were built in Manchester and Bradford, attracting Jews as well as Christians into membership, but Orthodox Jews were equally anxious for social acceptance.[37] In Bradford, the German colony met at the Schillerverein, a club endowed with the principles of liberalism and democracy, and the local population believed that

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35 A. DIETZ, *Stammbuch* (1907), pp. 371, 377-9; *Geschichte*, IV, p. 333.

36 R. RURUP, *Jewish Emancipation and Bourgeois Society [in Germany]*, « Leo Baeck Institute Yearbook », 1974.

37 B. WILLIAMS, *The Making of Manchester Jewry* (Manchester 1976), pp. 82-3, 334. The "German Church" in Bradford was formed in 1875 (*op. cit.*, p. 13).

"Many of these merchants were men of liberal opinions who knew they could be happier outside Germany".[38] In Manchester the Schiller Anstalt, which had a large Jewish membership, had a similar outlook.[39]

Not all the German houses established in Britain were branches of established concerns in Hamburg, Frankfurt, Leipzig, and other commercial centres. The rapid growth of British export trade brought a large increase in employment opportunities for literate Continentals to work for British merchants and manufacturers as clerks and "outriders" — i.e. commercial travellers. The earliest example on record concerns William Uhde, who came to Manchester in 1788 as a clerk in the employ of Taylor & Maxwell, a well-known firm of cotton manufaturers, dyers, and printers, whose main interest was in foreign markets. Uhde was soon being employed as an outrider, selling textiles and collecting debts both in England and Germany, and took the opportunity to earn some commissions from other Lancashire firms, notably Peels, the premier textile printers and merchants. In 1794, Uhde opened his own warehouse in Manchester, taking into partnership another of Taylors' clerks called Justamond, a name that suggests German origins.[40] The practice of employing German travellers continued well into the nineteenth century: indeed it was regarded as an important innovation when a young Bradfordian learned German to serve his firm abroad.[41] The ubiquitous presence of German clerks and travellers is probably explained by superior education as much as opportunities in Britain; certainly German merchants were to supersede their British rivals in Russia because of their much better commercial education. As in Britain, many foreign-born clerks rose to be partners in the firms they served.[42] Rothschilds, Huths, and other houses were generous to their senior clerks, so

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38 J. B. PRIESTLEY, *English Journey* (1934), pp. 158, 160.

39 B. WILLIAMS, *op. cit.*, p. 260.

40 P.R.O. E 112/1541/589, C 12/1739/6. Another case, E 112/1530/224, suggests that if was not unusual for an outrider to be retained by several firms.

41 WILLIAM ROTHENSTEIN, *Men and Memories* (1931-2), I, p. 7. G. L. ANDERSON, *Victorian Clerks* (Manchester, 1976), pp. 61-5.

42 D. MACKENZIE WALLACE, *Russia* (1877), I, p. 277. W. F. M. WESTON-WEBB, *Autobiography of a British Yarn Merchant* (1929), pp. 111, 129-30.

TABLE 2

PLACE OF ORIGIN OF VISITORS TO THE LEIPZIG FAIRS, 1748-1840

	1748	1780	1790	1820	1834	1840
England	6	12	60			
France	7	64	60			
Holland	45	50	34	not stated separately		
Italy	0	33	52			
Poland	67	368	569			
Greece & Turkey	22	125	117	87	108	86
Hamburg	331	206	185	514	334	214
Frankfurt (aM)	48	119	165	605	247	170
Berlin	149	309	344	711	867	975
Saxony	1,494	3,904	3,934	5,540	8,168	8,070
All visitors	5,263	8,952	8,994	21,656	26,444	21,458

Source: E. HASSE, *Geschichte der Leipziger Messen* (Leipzig, 1885), pp. 304-8.

that some were able to set up in business on their own account.[43]

The final, and most important impetus to migration was the decline of the great international fairs at Frankfurt and Leipzig as centres of commerce in British manufactured goods. The only available statistics, for Leipzig (Table 2), leave much to be desired, but they show that while the fair continued to grow in size over the period 1748-1840, West European, as distinct from Prussian and Saxon interest, declined from the 1820s. Unfortunately, British and French attendance is not registered separately after 1790, but the interest of these countries is clearly expressed in the figures for Hamburg and Frankfurt. According to the *Circular to Bankers*, the decisive changes came about as a consequence of the commercial crisis of 1825-6. The convulsions of the crisis extended all over the commercial world, leading to the bankruptcy of some merchants trading to the Continent and a reduction of the scale of operations of others. But commerce abhors a vacuum, and despite the thinner profit margins of the later 1820s and 1830s, new enterprise moved in to fill the place of the old. "The Jewish merchants of Prussia, Russia and Germany, who were formerly content with the trade of supplying the countries situated near to the eastern boundary of

[43] [DAVID M. EVANS], *The City, or the Physiology of London Business* (1845), p. 174.

Europe with British commodities, which they purchased from London merchants, are now as familiarly known as purchasers in the markets of Manchester, Bradford, Leeds, Paisley and Glasgow, as the London Warehousemen".[44]

Some further explanation of developments was furnished by the British Consul in Leipzig in 1837. By this time, most of British goods sold at the Leipzig Fairs were printed calicoes, and the dealers there preferred to give their orders direct to their agents in England, so that "with one or two exceptions the English frequenters of the Leipzig Fairs are now restricted to the woollen manufacturers who visit Germany for the purpose of purchasing wool and who (in some cases only) avail themselves of the opportunity to obtain orders for their manufactured goods". The Consul, no doubt reflecting the prejudices of the times, insisted that the whole trade had fallen into the hands of one sect. "These are the Hamburg Jews established here, whose connections in Manchester and other manufacturing towns take advantage of every favourable opportunity of purchasing parcels of goods which the necessities of our manufacturers compel them to part with on low and but too often losing terms. These are then brought over to the fairs of Leipzig and other towns of Germany, where they are disposed of on terms which defy all competition on the parts of the more regular traders. The . . . Hamburg houses force off their goods, especially among the Poles and the Jews and the Greeks from the [Danubian] Principalities by the temptation of long credits . . .".[45]

II

From the reasons for the establishment of the large German merchant community in Britain, we may turn to individual firms to seek some guidelines on capital, credit and markets. The evidence leaves no doubt that both young Rothschild and the Schröder brothers came to Britain to invest part of their fathers' fortunes,

[44] *Circular to Bankers*, 7 Mar 1828.
[45] P.R.O. FO 68/42, 13 Nov 1837.

and it seems probable that the other early firms brought capital with them. A dozen Frankfurt Jewish merchants that sent sons to Britain had family connections with banks.[46] The more numerous smaller firms who settled in the 1830s and 1840s were more dependent on the credit of others, and had to draw on the established merchant houses of their own cities, thus maintaining a flow of capital from the German states to Britain. This was the period of massive peasant redemption payments, which the landlords deposited with the Fürstenbank, Rothschilds, and other banks, and which may have been channelled into British commerce. Moreover, several German merchants resident in Britain married into eminent Continental banking families, unions that hint strongly at earlier commercial connections. Thus Jacob Behrens (Bradford) married a daughter of Hohemser, the Mannheim banker, Emil Springman (Liverpool) married a Wichelhaus daughter, from a well-known Cologne banking house, and Moritz Rothenstein (Bradford) won the hand of a Dux lady, of the Hildesheim bank.[47]

However, by the 1830s, capital had become plentiful and cheap in Britain, with the accepting houses competing with each other for business, so that London merchant banks began to provide credits for exports from Hamburg and other German towns.[48] Consequently, it is difficult to decide whether Britain was a net importer of capital from Germany or not. The only clue available is J. B. Smith's "guesstimate" of the proportion of capital provided by Britain for various sectors of world trade in 1836 (Table 5). Smith supposed that Britain provided 33 per cent of the capital for British-European trade, and as the only other major contributor of capital was the German states, it may well be that 50 or 60 per cent of the "outside" capital came from that country. Quite

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46 S. D. Chapman, *The Foundation of the English Rothschilds*, « Textile History », VIII (1977), Appendix.

47 H. Winkel, *Die Ablösungskapitalien aus der Bauernbefreiung in West- und Süddeutschland* (Stuttgart, 1968).

[Harry Behrens], *Sir Jacob Behrens, 1806-89* (1925).

Jewish Telegraph, 5 Dec 1969 (Rothenstein article). Information from Robin Brackenbury whose mother was a Springmann.

48 *S. C. on Manufactures*, 1833, pp. 119 (ev. of T. Wiggin), and p. 196 (ev. of John Innis, in the Indian trade). Letters to Morrison, Cryder & Co., eg. from Louis Bene (Hamburgh), 14 June 1836.

possibly London increased her proportion up to about 1860, but this is an impression, not a fact.[49]

Although many of the emigré merchants came with limited capital, the available evidence shows they had little difficulty in building on their commercial experience and connections with established International Houses on the Continent or in Britain. The experience of Jacob and Louis Behrens from Hesse-Cassel, who were among the first German merchants to settle in Bradford, is instructive. They had little capital, but their experience as commercial travellers in their father's business stood them in good stead. "Commissions to buy . . . came at once from the chief textile houses of Hamburg — Horwitz & Meyer, Oppenheims, and Saalfelds — and these gave them [the Behrens] such good standing on the market that any opponents were easily overcome".[50] Philip Henry Muntz, who settled in Birmingham in 1834, said in 1848 that he frequently discounted bills in Hamburg in preference to discounting in England as the ordinary rate was « generally rather lower on the Continent than it is here ».[51] Frederick Schwann was the German traveller for a Huddersfield firm that went bankrupt in 1825. He had very little capital to begin with, but cultivated the connections he had made in Germany and Italy. He bought goods in the Huddersfield and Bradford markets on commission, generally for ready money by drawing on Schunck, Souchay & Co. (of Frankfurt, London, and Manchester) and other houses in London with whom credits had been lodged by foreign correspondents.[52] These examples, and others that are available, show how young German merchants were able to benefit from the established Continental merchants and Anglo-German houses in London.[53]

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49 *Reports from H. M. Diplomatic and Consular Offices*, P.P., 1857-8, LV, p. 85.

50 [Harry Behrens], *Sir Jacob Behrens, 1806-89*, p. 34.

51 *S. C. on Commercial Distress*, P.P., 1848, pp. 106-7. This is consistent with Prof. E. Schremmer's calculation that Baden-Wurtenburg was a net exporter of capital at the period.

52 B. of E. Leeds Ltrs, 13 Mar 1828, 16 Oct 1833.

53 See also De Jersey, Fericks & Co., B. of E. M. Ltrs, 10 Nov 1831; H. Reddelieu (Hamburgh), B. of E. M. Ltr Bks, V (1845), p. 281.

By the 1830s, it is clear that the most successful German houses were amongst the wealthiest in the British merchant community. The leading firms began to open branches in other British manufacturing centres and overseas, and to extend from the central European trade into other sectors of world trade. There is only space here to illustrate these developments with a few examples. A. S. Sichel of Frankfurt sounds fairly representative of the new arrivals. He was a Jewish commission agent who started visiting the Manchester market after the French Wars and settled in the town in 1834 when his wife inherited £ 30,000, a figure that was taken to represent his total capital. He maintained close connections with his brother-in-law in Hamburg (Gustavus Gumpel), and forwarded goods to "constituents" in Germany, Holland, Italy, and Russia.[54] The more ambitious kind of concern may be represented by the Reiss brothers of Frankfurt, two of whom settled in Manchester in 1818, the other two brothers remaining in their native city. Thirty years later they were trading with a capital of £ 100,000.[55] Similiarly, the Manchester branch of H. J. Merck & Co. of Hamburg traded on a "subvention" of £ 100,000 from the parent firm.[56] Other International Houses established in Manchester at the opening of the century, Du Fay and Liepmann, Lindon & Co. (formerly Oppenheim & Liepmann of Berlin), were said to be trading on a capital of £ 200,000 each by the middle 1830s, the former in six centres, the latter in three.[57] Among the self-made men who linked themselves with International Houses, we may instance Frederik Schwann of Manchester and Huddersfield, who in 1844 was thought to be worth more than £ 100,000 and was considered the "Rothschild of Huddersfield".[58] Oppenheim & Co. of Hamburg and Manchester, who failed in the crisis of 1842, had assets of £ 100,000 and liabilities of £ 90,000.[59] The wealth of some of the German-Jewish families was not always

[54] B. of E. M. Ltr Bks, V (1846), p. 205.
[55] B. of E. M. Ltr Bks, VII (1848), p. 21.
[56] Baring Bros. Archives, letter from H. J. Merck & Co. Hamburg, 21 Jan 1858.
[57] B. of E. M. Letrs, 14 Mar 1829, 12 Dec 1836.
[58] B. of. E. M. Ltr Bks, IV (1844), p. 259.
[59] B. of. E. M. Ltr Bks, III (1842), pp. 139, 144.

regarded dispasisonately by British observers; thus a Lancashire bank wrote of L. R. Bischoffsheim of London: « First rate credit, some very weak parties draw on him from abroad . . . but I am assured that L.R.B. is worth nearly £ 100,000; [he] is a Jew & a great screw ».[60]

The financial standing of such firms may be compared with Rylands & Sons, one of the best-known firms of manufacturers and merchants serving the home market, with about 2,000 customers in the general and country trade. In 1850, Rylands had about £ 50,000 invested in Gorton Mill (Wigan) and another £ 50,000 in the mercantile side of the business. Robert Gardner, one of the leading Manchester spinners, manufacturers and export merchants, had assets of nearly £ 350,000 at his bankruptcy in 1848.[61]

The Rothschilds' capital was, as might be expected, in a class of its own. Starting in Manchester with £ 20,000, Nathan is said to have tripled his capital within a short period, probably by the time he moved to London in 1808. At the close of the Napoleonic War he was worth £ 90,000. But it was the post-war government loans that brought him the really colossal increases, for he had half-a-million in 1818 and was a millionaire by 1825. At this date he was substantially wealthier than the leading Anglo-American banks, Brown Brothers (£ 250,000) and Barings, who had accumulated £ 490,000 by 1830. The Rothschild family capital was much larger, passing £ 4 m. in 1825, but it seems that most of this was employed in state loans rather than in commerce and industry.[62]

At the end of the French Wars, the German market was the most important destination for Manchester printed cottons, followed by the Low Countries (subsequently Holland and Belgium) and Italy. However, as the relative importance of the Continent as a market for piece goods began to decline, and as the experience and capital of the vanguard firms increased, they began to diversify their markets and trade. Thus Leo Schuster, who first came to

[60] Preston Bank "Character Book", p. 106 Lancs. R.O.
[61] B. of E. M. Ltr Bks, VIII (1852), p. 150; VI (1848), p. 165.
[62] B. GILLE, *op. cit.*, I, p. 458. E. J. PERKINS, *op. cit.*, p. 19.

Manchester in 1816, said in 1840 that he was exporting more than 100,000 pieces a year « to almost every part of the world ».[63]

In addition, numbers of Manchester "foreign houses" developed an interest in the worsted trade, opening branches at Bradford to import Saxon wool and export piece goods. Leo Schuster, Engels (father of Marx's famous partner), Soloman Flersheim of Frankfurt, and other successful Manchester houses were early in this trade.[64] Other firms, like Schwabe & Sons of Hamburg and Manchester, opened branches in Glasgow,[65] while Alexander Brothers of Hamburg and A. J. Saalfied & Co. extended from Manchester into the Nottingham lace trade, to be followed by several other German houses. Other firms again specialised in the export of "cotton twist" to Eastern Europe.[66]

Firms with more capital moved out of Europe into the more rapidly growing textile markets of the Orient and the Americas. Du Fay, the Frankfurt Hugenot house established at Manchester in 1800, had establishments at Mexico, Buenos Aires, Messina, and Genoa by the Spring of 1829, the latter presumably to import Italian silk, a growing Manchester industry in the 1820s and 1830s.[67] Reiss Brothers, also from Frankfurt, opened a branch in Philadelphia and moved into the trade in India, China, and South America, while Liepmann, Lindon & Co. of Berlin were active in the trade to India, China, and the Cape.[68] Troosts of Hamburg and Lieberts of Berlin also had interests in India, while Sykes, Schwabe & Co. of Liverpool, in partnership with a firm of calico

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63 *S. C. on Copyright of Designs*, P.P., 1840, p. 61. T. ELLISON, *Cotton Trade of G.B.* (1866), p. 64, calculates that the export of cotton piece goods to Europe fell from 51 per cent of the British total in 1820 to 16 per cent in 1850. "Europe" here excludes Turkey.

64 See list of members in *First Annual Report of the Bradford Chamber of Commerce*, Jan. 1852. For Engels see B. of E. Leeds Ltrs 20 Sept 1831, 10 May 1833; for Schuster B. of E. M. Ltrs 18 Jan 1837; for Flersheim, Ltr Bks, V (1846), p. 102. Other firms that functioned in both towns were Reiss Bros., Behrens Bros. and J. P. Kessler.

65 B. of E. M. Ltr Bks, VI (1848), p. 33.

66 B. of E. M. Ltrs 8 Feb 1834, 12 Mar 1836, 17 July and 8 Dec 1838; Leeds Ltr Bks, I (1840) p. 75.

67 B. of. E. M. Ltrs, 14 Mar 1829.

68 P.R.O. FO 83/111. B. of E. Leeds Ltrs 22 Oct 1836, M. Ltr Bks VII (1849), p. 21. B. of E. M. Ltrs, 12 Mar 1836.

printers, were « doing a very respectable business » in Manilla and Singapore in the 1840s.[69] The following decade, A. S. Sichel of Frankfurt was building up a connection in Australia, and J. P. Kessler (Frankfurt, Manchester and Bradford) in New York.[70]

The most successful London-based International Houses turned to pure finance, providing accepting house facilities for the younger houses, and competing for the United States business. J. H. Schröder opened in Liverpool in 1839 with an initial investment of £ 50,000, taking as partners a corn merchant's son and young Mahs from Hamburg.[71] Frederick Huth & Co. started a Liverpool branch the same year, bringing in the managing partner of their South American establishments as local partner.[72] Very likely both were trying to fill the gaps left by the collapse of Anglo-American houses in 1836. Meanwhile, N. M. Rothschild & Co. had moved competitively into Continental and North American accepting house business.[73] From 1825, Souchays were helping to finance such cotton spinners as Milnes & Travis of Oldham and Samuel Marsland & Co. of Stockport.[74] Ambitious Manchester and Bradford German houses like Reiss Brothers, Abraham Baver & Co., and A. J. Saalfeld & Co. tried to establish themselves in London as merchant bankers.[75]

In a few instances, notably in calico printing and fashion goods, the market expertise of the International Houses led them into manufacturing, with further beneficial consequences for British exports. Salis Schwabe, a calico printer from Oldenburg, came to Manchester by way of Glasgow, and was so successful that in 1840 his firm was the second largest in the industry.[76] Schunk,

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69 B. of E. M. Ltr Bks, V (1845), p. 143. B. of E. Liverpool (= Lp) Ltr Bks, V (1844), p. 378, X (1849), p. 39.

70 B. of E. M. Ltr Bks, IX (1854), p. 31. A. DIETZ, *op. cit.*, IV, p. 332.

71 B. of. E. Lp. Ltr Bs, I (1840), p. 137.

72 Brandt Circulars, 1839; Huths had branches in Lima and Valparaiso.

73 Morrison Cryder letter from C. J. Weber, 15 May 1836. B. GILLE, *op. cit.*, I p. 402 ff.

74 B. of. E. M. Ltr Bks, V (1845) p. 81, V (1846) p. 106.

75 B. of E. M. Ltr Bks, V (1845) p. 160, VII (1849), p. 109. Brandt Circulars, 1852.

76 N. J. LASKI, *The History of Manchester Jewry*, « Manchester Review », 1956, p. 374. G. TURNBULL, *History of the Calico Printing Industry of G.B.* (1951), p. 423

Souchay & Co. built a "very extensive" printworks near Manchester in 1837, said to have cost £ 100,000, an enormous figure for a factory at the time.[77] Lewis Heymann came to Nottingham about 1834 as junior partner in A. J. Saalfeld & Co. (Hamburg, Manchester and Leeds). According to a Nottingham local historian, Heymann « had no money, but he had what is better — character joined with energy, good taste, and agreeable manners . . . He had designers in his warehouse where he could supervise them several times a day . . . and not only did he extend the trade in Nottingham goods [i.e. lace] by his knowledge of languages and of houses abroad, but he developed taste and skill to such an extent that the *Arts Journal Illustrated Catalogue of the International Exhibition of 1862* declared that "the productions of Nottingham now surpass those of France" ».[78] Heymann's status in Nottingham was so high that in 1857 he was invited to become Mayor, the first former German Jew to hold the office in a British industrial city.[79]

III

N. S. Buck's *Development of the Organisation of the Anglo-American Trade, 1800-1850* shows that British merchants and manufacturers dominated the trade with the United States until at least 1830. He maintains that up to the end of the French Wars British export merchants, often supported by one of the Anglo-American banking houses in London or Liverpool, conducted most of the trade across the North Atlantic, though a few American importers had branches or agents in Britain, and a few major manufacturers were prepared to assume mercantile functions.[80] In the next fifteen years, as we have already seen, the export merchant gave way to the manufacturer and commission agent, with the

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77 B. of E. Leeds Ltr Bs, II (1842), p. 24.

78 R. MELLORS, *Men of Nottingham and Notts* (1924), p. 221.

79 *High Pavement Chapel, Nottingham. Biographical Catalogue of Portraits . . .* ((1932), p. 28. Other manufacturers included Abraham Baver (fringe works), see B. of E. M. Ltr Bks, II (1841), p. 29, and Louis Schwabe (embroidery factory), see B. of E. M. Ltrs 17 Dec 1839. Three other German firms invested in cotton mills.

80 (Yale, 1925); Chs. V-VII.

accepting houses competing strongly for their business, so it was not until after about 1830 that the American importer became an important figure in North Atlantic commerce.

Buck's description of the trade can be given more precise support from evidence that has become available more recently. In Liverpool, the main British centre for United States commerce at this period, there were said to be seventeen principal importers of cotton in 1827 and nineteen in 1829. Only three of these, W. & J. Brown & Co., Peck & Phelps and Wright, Taylor & Co., were American, and the last of them went into liquidation soon after the second count.[81] All the rest were English and Scots. At mid-century there were eighteen American houses in London, but most of them were small and only four in first-rate credit. Only two of the four, George Peabody and A. & S. Henry, were American-born, and we shall see that the latter was in fact a Manchester house that considered itself Irish.[82] There were a few other International Houses of American origin in the 1830s and 1840s, but they are not easy to find. The five volumes of Barrett's *Old Merchants of New York City* describes the work of Lewis Rogers & Co. of New York, Richmond, New Orleans, London and Le Havre, and Goodlive & Co., who opened commercial houses in London, St. Petersburgh, Canton, Calcutta, and other centres, but the kind of international organisation we have been discussing does not appear to have been a prominent feature of American trade at this time.[83]

The typical position of the American importer was summed up by the Bank of England agents in Manchester. « Very few of the parties who represent the American houses in our market can be

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[81] B. of E. Lp. Ltrs, 24 Nov 1827, 20 Oct 1829.

[82] B. of E. Leeds Btr Bks, V (1850), p. 15. The other two "first class" houses were Wm. Chance & Sons (Birmingham and London) and Matheson & Son (Glasgow and London).

[83] W. BARRETT, *Old Merchants of New York City* (New York, 1885), I, pp. 23, 45. The Morrison Cryder letters reveal only one further American-based international house, J. & F. Dorr (New York, Paris, and Manchester, 15 Dec 1835). MIRA WILKINS, *The Emergence of Multinational Enterprise* (Harvard, 1970) found little evidence of U.S. interest in other countries before 1865.

looked upon as permanent residents as they are constantly changing . . . ».[84] Moreover, the partners or agents who came to Britain on two and three year tours did not open an office, but merely had the use of a desk in the counting house of W. & J. Brown, A. & S. Henry, Thornton, Atterbury & Co. of Leeds, or one of the few other American houses who kept large establishments in Britain.[85] United States' traders in other world markets, notably South America, are known to have followed similar practices, operating abroad in the name of two or three established concerns.[86] There was no need for any more elaborate arrangement because there were already ample facilities to buy from both large and small British manufacturers. From before 1815, manufacturers kept representatives or warehouses in Liverpool for such specialisms as Manchester goods, Nottingham hosiery and lace, London carpets, Staffordshire earthenware, and so on, often advertised as « suitable for the American market ».[87] After the French Wars these warehouses took the American trade from London and Liverpool export merchants, and from manufacturers who had been in the habit of exporting on on their own account. By 1835, the London export of textiles was largely controlled by a dozen of these emporia under the leadership of Todd, Morrison & Co. « The magnitude of the traffic and the punctuality of payment of such houses », according to the *Circular to Bankers*, « have rendered their acceptances current among bankers », and millionaire James Morrison was ready

[84] B. of E. M. Ltrs, 17 Jan 1837.

[85] B. of E. M. Ltr Bks, IX (1853), p. 122.

[86] The difference in mercantile practice between the U.S.A. and European countries can be measured by comparing the number of vessels of each country entering a port (e.g. Buenos Aires) in a particular year (eg. 1850) with the number of foreign import-houses of that country in the port at the time:

	vessels	houses	ratio
Britain	107	52	2:1
France	52	21	2.5:1
U.S.A.	53	5	10:1

See P.R.O. FO 83/111 and V.B. Reber, *British Mercantile Houses in Buenos Aires 1810-1880*, Ph.D. thesis, Wisconsin, 1972, pp. 123, 297, 319.

[87] B. H. Tolley, *The American Trade of Liverpool*, M. A. thesis, Liverpool, 1967, pp. 72-3.

to grant easy credits to exporters.[88] Commission agents acting for American merchants also made their own purchases at the cloth halls in the north of England.[89]

The only really strong International Houses in the American trade in Britain were, therefore, W. J. Brown & Co. (later Brown, Shipley & Co.) and A. & S. Henry. Alexander Henry arrived in Manchester form Philadelphia in 1804, and William Brown in Liverpool from Baltimore in 1810. Both came of first generation Irish Presbyterian (i.e. Ulster Scots) families that had not had time to become Americanised. Each managed to combine rigorous individualism and Nonconformist devotion to business with family loyalties strong enough to bridge the Atlantic. Shrewd anticipation of markets at the close of the American War (1812-14) raised Browns' capital from £ 100,000 to over £ 500,000, and new branches were opened in Philadelphia (1818) and New York (1825) under the direction of William's brothers. Surviving the crisis of 1825-6 without any apparent difficulty, Browns emerged as the leading north of England firm providing credit for American agents touring Britain to order goods from manufacturers at Manchester, Birmingham, Sheffield, and other industrial places. Meanwhile, Alexander Henry established himlself in Manchester by shipping goods to his partners (Thomas & William Henry) in Philadelphia. His brothers also imported goods through New York commission agents like Bolton, Ogden & Co., which was perhaps why young Henry decided to establish his independence, taking his younger brother Samuel as travelling partner. By 1826 he was trading on a capital of £ 50,000 and emerging as the leading commission agent for the purchase of Manchester goods. From cottons they moved to woollen and worsted goods, then linen, silk and other manufactures, opening branches in Leeds (c. 1836), Huddersfield, Bradford (1848), Belfast, and Glasgow,

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[88] *Circular to Bankers*, 10 Oct 1834, p. 90, 18 Jan 1836, p. 201. In 1836 Morrison formed the London merchant bank, Morrison Cryder & Co.

[89] B. of E. Leeds Ltrs, 16 Sept 1832.

and also became manufacturers, owning Thomas Jowett & Co. of Bingley.[90]

A. & S. Henry's papers appear to have perished, but it is not difficult to recognise the reason for their growing popularity from other sources. Hagues, Cooke & Wormald of Dewsbury mills, who were to became the leading West Riding blanket manufacturers, at first exported to the U.S. through Thomas Dixon & Co., a New York agent with a Yorkshire family background. However, in the commercial crisis of 1825-6, when widespread losses were suffered as a consequence of the bankruptcy of the leading London accepting house specialising in North American trade, Hagues & Co. solicited a connection with A. & S. Henry to reduce their marketing risks in the U.S. The link lasted into the 1860s, and it seems quite likely that it was the key to the extension of the Henrys' clientèle into the West Riding woollen and worsted trade.[91] The advice given by Firmin de Tastel to Boulton & Watt in 1794[92] was evidently no less relevant a generation later, but it was Browns and Barings (an Anglo-American partnership from 1825, when Joshua Bates of Boston joined them[93]) that took the lion's share of the finance of this trade, rather than the old London merchant houses.

Both Henrys and Browns were evidently much closer to Scots practice than American. The most impressive International Houses founded in Britain were developed for the trade to the Far East. « The whole trade was largely developed by family and clan groups, largely Scots, with family connections in every port east of the Cape »,[94] the historian of Jardine Matthieson writes. The proto-

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90 E. J. PERKINS, *Financing Anglo-American Trade*, esp. pp. 20-5. [ANON.], *Fortunes made in Business*, III (1887), Ch. 4. B. of E. Leeds Ltrs, 28 Mar 1832, 1 Mar 1837, Lp Ltrs 8 Sept 1827, Birmingham Ltrs 22 Jan 1827, M. Ltrs 1 Jan 1827, 7 Sept 1827. See also letters of T. & W. Henry in Bolton Ogden Mss., boxes for 1816, 1818 and 1820s. (New York Historical Soc. References kindly supplied by John Killick, Leeds Univ.).

91 F. J. GLOVER, *Thomas Cook and the American Blanket Trade*, « Bus. Hist. Rev. », XXXV (1961).

92 See above, note 24.

93 H. R. FOX BOURNE, *English Merchants*, II (1866), p. 248.

94 M. GREENBERG, *British Trade and the Opening of China* (1951), p. 38.

type may have been James Finlay & Co. of Glasgow, who had branches in Liverpool, London, Calcutta, New York, Charlton and New Orleans by the middle 1820s, and Scots traders were strong in both Liverpool and Manchester.[95] It is clear that both families identified themselves with this interesting minority group. Seventeen years after the Brown brothers settled in Liverpool, the Bank of England Agent wrote that the « partners are not men of much education and mix very little in the best society . . . ».[96] When William Brown and Alex Henry were elected to Parliament, Brown described himself as one of Lancashire's two *Irish* M.P.s, and in the second generation Mitchell Henry, M.P., identified himself completely with Irish development and political problems at Westminster.[97] At mid-century, when the second generation retired from active business, administrative rationalisation was undertaken by a scion of one of the German-Russian International Houses, apparently reinforcing that cosmopolitan outlook characteristic of the International Houses.[98]

IV

The migration of large numbers of Ottoman merchants to Britain, and more especially to Manchester had similar causes to those that prompted German migration, but followed at an interval of ten or twenty years (Diagram Two). British manufactured goods had reached Eastern Europe through the Leipzig Fairs, where until the 1850s the traders of the Ottoman Empire — Greeks, Armenians, Arabs, and Turks, but in Britain collectively referred to as Greeks — assembled twice a year to buy from the German-Jewish merchants who kept large warehouses there and provided long credits for their customers. Two-thirds of the British

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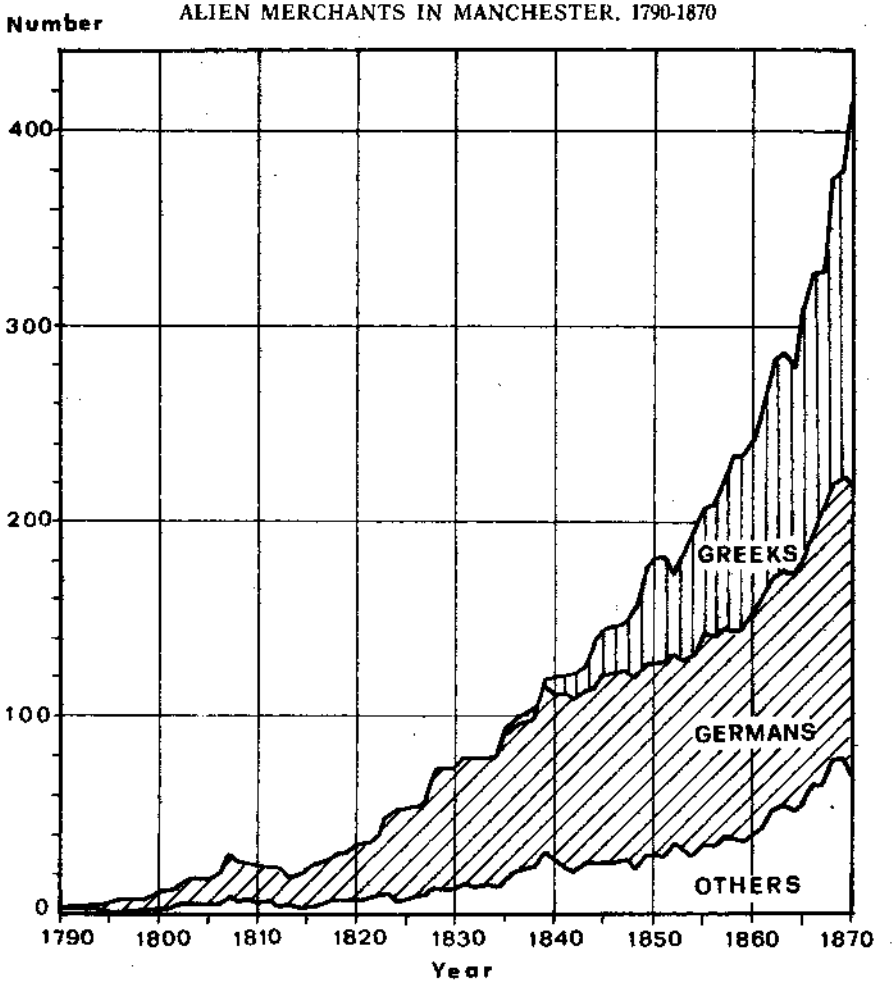
95 B. of E. Lp Ltrs, 31 Dec 1827.

96 B. of Lp Ltrs, 8 Sept 1827. In fact, the Brown boys were educated at an English school! - A. ELLIS, *Heir of Adventure* (1960), p. 89.

97 Information from John Killick, Leeds. *Fortunes made in Business*, loc. cit.

98 B. of E. Lp Ltrs, 8 Sept 1827. In fact, the Brown boys were educated at an ground and letters.

DIAGRAM TWO

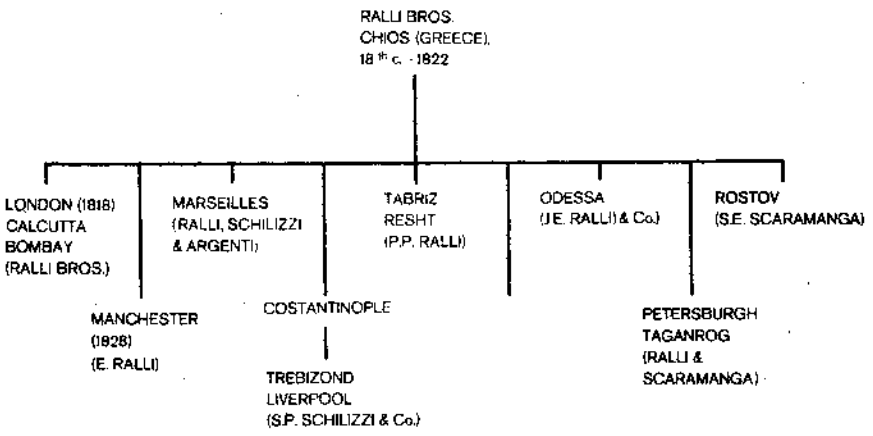


Source JOHN SCHOLES, *Foreign Merchants in Manchester, 1784-1870*. Ms., Manchester P. L.

cotton, that were sold at Leipzig in an average year were re-exported to the Danubian Principalities and to Russia. After the French Wars, the shipping trade of the eastern Mediterranean, and especially that from the Levant to Italy, fell increasingly into the hands of Greek merchants because their freights were cheaper. As the British textile industry continued to grow, the Greeks ventured further afield to make direct purchases in London and

DIAGRAM THREE

THE RALLI PARTNERSHIPS IN 1865



Source: Brandt circulars, 1865

Liverpool, and by the close of the 1850s only buyers who needed long credits were attending the Leipzig Fairs.[99] Migration received additional impetus from the growing Turkish persecution of the Greek Orthodox minority. The earliest important arrivals, Ralli Brothers, who came to London in 1818, were natives of Chios, a Greek island off the coast of Anatolia whose population was massacred by the Turks in 1822.

Chios was said to have been the most autonomous of the Ottoman territories, and in the eighteenth century became the most commercial of all the Greek communities. Consequently, its history was one of dispersion of mercantile families both within and beyond the Ottoman Empire, in a manner reminiscent of the Germans and Scots. Commercial education was highly developed, as that among the Jews and Scots was, boys learning the French and Turkish, as well as Greek languages. Moreover, like the Jews, there was « no serious occupation open to the Chians for the

[99] *Reports from H. M. Diplomatic and Consular Offices*, P.P. 1859, XXX, p. 338. *S.C. on Foreign Trade*, P.P. 1820, pp. 32-3.

employment of their energies other than the furtherance of business, [so] they naturally gave the whole of their attention to the god of Commerce, and he, in return for their devotion, rewarded them quickly and generously ». As in Scotland, the mountainous terrain offered scant reward to agrarian enterprise except for a handful of farmers, and the sea beckoned to prizes over its horizon. Already, in the eighteenth century, the Chians established branches of their enterprise in Amsterdam, Leghorn, Marseilles, Trieste, Malta, Alexandria, Moscow, Taganrog (on the Sea of Azov), Odessa, Vienna, Constantinople, Smyrna, Thrace, Syria, and other parts of Asia. In the French Wars, « enormous gains » were made from a hazardous trade delivering corn and other provisions into blockaded ports. The Chians also had a traditional trade in home-manufactured cottons and silks; this declined about 1810, most probably from competition with British goods. Even without a massacre, the Chians would certainly have moved into West European trade.[100]

In their migration westward the more successful Greek houses spawned new branches, and tracing these reveals the pattern of extension of their interests. Ralli Brothers, the Chian family in the vanguard of the migration, opened branches at Odessa, Marseilles, London, and Manchester (1828), and were soon exporting cotton twist to Germany as well as the Levant.[101] In 1865, at the summit of their mercantile achievement, the Rallis were operating through interlocked partnerships in fifteen centres, spread across Europe and the Middle East (Diagram Three). Their relatives, Rodocanachi, Sons & Co., starting at the same place (Odessa), had establishments at Marseilles, Livourne, London, Manchester (1842) and St. Petersburgh (1851). By 1854, they were acting for Ralli Bros. and on their own behalf, buying cotton in New

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100 A. M. Vlasto, *A History of the Island of Chios* (1913), Chs. 13, 18. P. P. Argenti, *Libro d'oro de la Noblesse de Chio* (1955) for family pedigrees.

101 Brandt Circulars, 1856. B. of E. M. Ltrs, 18 Nov 1839.

Orleans.[102] Rocca Brothers evidently concentrated more on the Mediterranean Trade, with branches at Odessa, Berdyansk (Ukraine), Naples, Genoa, Marseilles, and finally (1856) London.[103] Cassavetti Brothers & Co. (otherwise Cassavetti, Cavafy & Co.) had establishments at Cairo, Alexandria, London, Liverpool, and Manchester, buying considerable quantities of Manchester goods for sale in Egypt. The resident partners there, the Cavafy brothers, toured the country with their camel caravans, exchanging textiles for bullion.[104] Paul and Peter Cababé, who started in Manchester in 1840, « for many years had almost a monopoly of the Syrian trade with Aleppo », while Giustiniani & Nepoti had their bases in Damascus, Aleppo, Leghorn, London and Manchester.[105] Other firms, operating on a more modest scale, simply provided a direct connection between Constantinople, Alexandria, Cairo or Jassy and London or Manchester. The Greek houses maintained their hold on shipping into the 1860s, and there are indications that they were prepared to be more speculative than their British competitors.[106]

The number of Greek firms settled in Manchester rose dramatically in the late 1840s and 1850s, and in the middle 1860s they exceeded the number of German houses in the town. In 1850 there were 55 of them (97 Germans), in 1860 there were 87 (114 Germans) and in 1870 the total reached 167 (153 Germans).[107]

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102 Brandt Circulars, 1851, 1860. John Scholes, "Foreign Merchants in Manchester 1784-1870" (Ms., Manchester P.L.). Dun & Bradshaw's Credit Registers (Harvard Lib.; reference kindly supplied by J. Killick).

103 Brandt Circulars, 1856. P. LÉRIS, *La colonie grecque de Marseille*, « Revue des Français », XVII (1913).

104 B. of E. Lp Ltr Bks, XI (1850), p. 42. S. FAIRLIE, *The Anglo-Russian Grain Trade, 1815-61*, Ph. D. thesis, London, 1959, p. 275.

105 L. M. HAYES, *Reminiscences of Manchester*... (1905), pp. 306-7. P.R.O. FO 88/111 (Damascus list).

106 Eg. Boglios, Beshiktaslian and Gallipoliti & Co. from Constantinople, Lafuente and Demetrio & Co. from Alexandria, and Benjanowitz from Jassy. B. of E. M. Ltr Bks, VIII (1852), pp. 42, 73; X (1857), p. 145; VI (1848), p. 107; VII (1850), p. 64; X (1857) p. 93. P.R.O. FO 83/111 (Cairo list). S. T. XENOS, *Depredations* (1869), for Greek shipping interests.

107 J. SCHOLES, *op. cit.* Scholes's list omits a number of names.

In London there were only 14 Greek houses in the late 1850s, though they appear to have been larger and more stable than their northern counterparts.[108] There are several reasons for this spectacular success. The most important is that they succeeded in finding new markets for cotton piece goods in a part of the world where British representation was weak, or at any rate thin on the ground.[109] Export of these fabrics to Turkey, Egypt and Africa (substantially the Ottoman Empire) increased from 9.5 m. yards in 1820 to 194 m. yards in 1850 and 670 m. yards in 1870, a fifth of total export sales.[110] The Greek merchants appear to have acted as the terminal and starting point for larger numbers of native merchants trading through the particular port; for instance, at Beirut 29 local merchants served four Greek houses: Spartali & Co. (Marseilles, London, Liverpool, Manchester), N. S. Frangopulo & Co. (London and Manchester), P. Mana & Co. (London) and Paul Cababé (Manchester). At mid-century there were apparently no merchants of British birth resident in the port.[111]

Another reason for the success of the Greek houses is that they developed a new form of reciprocal trade between Britain and the Middle East, exporting textiles and importing grain from the Black Sea ports and (to a much smaller extent) from the Baltic. Peel's celebrated repeal of the Corn Laws (1846) was the signal for the rapid growth of this trade. Dr. Fairlie explains that the trade was financed by a system started, or strongly developed, by the Ralli Brothers. The merchant loading the cargo in Odessa dispatched the bill of lading and sample to his partner in England, who sold it in anticipation of its arrival. The cash paid might then be used for purchase of textiles, coal, or other return cargoes.[112]

It was probably this system that enabled the Greeks to conduct large operations on relatively small capitals, and at the same time

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108 B. of E. M. Ltr Bks, X (1857), pp. 35, 86.

109 M. LÉVY-LEBOYER, *Les banques européennes* ... (Paris, 1964), p. 511, n. 6, 516, n. 32. P.R.O. FO 83/111 (Odessa, Tehran, Tabriz).

110 T. ELLISON, *Cotton Trade of G.B.* (1886), pp. 63-4.

111 P.R.O. FO 83/111 (Beirut).

112 The system is described at length in S. FAIRLIE, *op. cit.*, Ch. VI.

earn a reputation for prompt cash payments.[113] Spartiali & Co. are said to have been "worth £ 100,000", and Ralli Brothers must have been in the same league of wealth. The Cababé Brothers, trading on twenty per cent profit margins, accumulated a fortune of £ 70,000, and Casavetti Brothers were supposed to have a capital of £ 20-30,000.[114] But the great number of Greek merchant houses active in Britain in the 1850s were trading on capitals of less than £ 10,000, and needed extensive credit for their purchases.[115] Perhaps because the new system was not generally understood, or because it was difficult for bankers to identify tangible securities, the Greek merchants nevertheless remained an object of some suspicion to conventional financiers. The Bank of England recorded in 1850 that « it is most difficult to define the actual [financial] position of the Greek houses, there are but one or two of the whole number that may be ranked as "first class", the others being so mixed up together that it is impossible to ascertain the amount of capital employed and how it is distributed ».[116]

The outcome was that most of the credit granted to these firms came from the manufacturers most directly concerned in their trade, the calico printers, and from James Cunliffe (of Cunliffe, Brooks & Co.) whose banking house had close connections with the calico printing industry.[117] A rather coloured account of a Greek who became bankrupt in 1853 called attention to a list of his creditors which showed « the extent to which a person of his class, a foreigner and a stranger, may creep into credit . . . the list is composed of almost every respectable [calico] printer in the trade ».[118] In other words, where the banks failed to provide credit, the manufacturers were persuaded to support those who could find markets for them. And the close financial connections

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113 L.M. HAYES, *op. cit.*, p. 304. B. of E. M. Ltr Bks, V (1846), p. 118.

114 B. of E. M. Ltr Bks, X (1857), p. 32. X (1856), p. 11. Lp. Ltr Bks, XI (1850), p. 95.

115 B. of E. M. Ltr Bks, VIII (1852), pp. 4-6.

116 B. of E. London to Leicester letter, 7 Aug 1850.

117 B. of E. M. Ltr Bks, VIII (1852), pp. 4-6

118 B. of E. M. Ltr Bks, IX (1853), p. 54.

between the calico printers and the Greeks hint strongly at close working relations between the two parties, for sales depended above all on the right choices of colours and patterns, and the best results were attained through personal connections.

V

At first glance, the settlement of so many German, Greek and Irish houses in Britain in the nineteenth century might seem evidence of entrepreneurial failure on the part of British merchants, but any such notion is dispelled by the figures in Table 3. The number of British merchant houses abroad in 1848-50 was clearly several times larger than the number of foreign houses settled in Britain, and their distribution in Europe was not obviously weak. Unfortunately, Palmerston's inquiry into merchant houses abroad did not cover German firms, but occasional figures that are available again point to the dominance of the British at this period. For instance, a count of the number of foreign houses in Buenos Aires in 1836 showed 41 British houses, seven German, six French, and four American; Britain had more than the other countries

TABLE 3

NUMBERS OF BRITISH MERCANTILE HOUSES ESTABLISHED IN FOREIGN COUNTRIES, 1848-50

	British		American "houses"	French "houses"
	towns	"houses"		
Europe (north and central)	42	501	33	68
Mediterranean and Middle East	41	281	3	215
North America (except Mexico)	10	142	—	41
Latin America	38	460	94	182
India (and China)	3+	111		? 0

Source: P.R.O. FO 83/111, 115, for all data except that for India, which is from *East India Register*, 1848.

Notes:

(1) In Sept. 1848, Palmerston ordered British Ministers and Consuls abroad to draw up lists of the numbers of British mercantile houses in business within their respective districts or consulates, with comparative figures for 1842, and for American and French mercantile houses (FO 83/110). A very few of the 1848 returns are missing, but in such cases where those for 1842 have survived they have been substituted; this is not very misleading as the lists are similar everywhere, with an overall tendency to increase.

(2) The returns for American and French mercantile houses do not include those in Britain.

TABLE 4

LOCATION OF HOME OFFICES OF BRITISH MERCANTILE HOUSES ESTABLISHED IN SOME FOREIGN COUNTRIES, 1848-9

	Rio de Janeiro	Monte-video	Buenos Aires	Chile	Pernam-buco	Rio Grand	Phila-delphia	New Orleans
London	5	6	5	4	4	0	2	0
Liverpool	12	13	19	11	8	6	0	5
Manchester	7	2	4	2	3	1	5	0
Glasgow	3	2	3	3	0	0	0	2
Birmingham	1	2	1	0	0	1	4	0
Sheffield	0	0	0	0	0	0	11	0
Nottingham	0	0	0	0	0	0	2	0
Belfast	0	1	0	0	0	0	0	0
Total houses	47	34	55	29	30	17	35	23

Source: Most informative returns in P.R.O. FO 83/111, 115. Houses with more than one home office (e.g. in London and Liverpool) were counted in each heading.

put together.[119] Other scattered evidence supports the conclusion from this source.

The major influx of foreign mercantile enterprise came to the manufacturing districts of the north of England, so it might seem reasonable to argue that the German immigration was a response to lack of mercantile experience in the "new frontier" industrial growth areas, and there is certainly evidence for this in the case of Bradford. However, there was also a major growth of indigenous mercantile enterprise in Manchester, Liverpool, and Glasgow, and this may be illustrated in several ways. The return from Palmerston's inquiry only rarely give the home town of British houses abroad, but those that do show more connections with provincial towns than London, Liverpool and Manchester being particularly strong (Table 4). In addition, we know that a growing number of "Agency Houses" for the Indian and Far Eastern trade were based on these two centres, and on Glasgow.[120] Two of the leading Anglo-American merchant banks of the 1830s, Morrison Cryder & Co. and Timothy Wiggin, traded on fortunes made in Manchester, while a third, Brown Brothers, was essentially Li-

119 Morrison Cryder letters, Marrell Wright & Co. to John Cryder, 14 Jan 1836.

120 *East India Register*, 1803 onwards. M. GREENBERG, *British Trade and the Opening of China 1800-1842* (Cambridge, 1951), p. 38.

verpool-based.[121] Barings, Huths, Schröders, Lizardis, and other London merchant banks found it worth while to open offices in Liverpool.[122]

Down to the end of the French Wars there are indications of a shortage of capital in the rapidly-growing manufacturing regions, and we have collected evidence to show that Rothschild, Schröder, Souchay, and other German accepting houses were able to insert themselves in the money market without any apparent difficulty. After the wars, and more especially after 1825, there appears to have been an overall surplus of capital in Britain, and it may be supposed that foreign merchants were no longer important as transmitters of Continental capital. However, the numerous small firms of Birmingham, Sheffield, and the growing textile regions suffered intermittent shortages of ready cash and easy credit, and were evidently ready to deal with any merchant or agent who could offer them immediate relief.[123] To support this point, it is useful to add that German and Swiss merchants largely controlled the Lyons silk trade, acting as middlemen between the manufacturers and the Continental markets. The Germans were already masters of Lyons in 1811, an élite of merchants who profited from the competition of some 300 manufacturers.[124] Moreover, Greek merchants played an important role in the trade of Marseilles. Clearly the international financial families were ready to enter the trade wherever low prices and inexperience of foreign markets offered the prospect of profits. The evidence collected in this essay suggests that they did not so much displace British merchants as fill their depleted ranks at the recurrent financial crises. A contemporary estimate shows that the contribution of the foreign exporters to the capital invested in exporting to Europe was already substantial in 1836 (Table 5).

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121 *S. C. on Manufactures*, P.P., 1833, p. 119. *Circular to Bankers*, 10 Oct 1834. E. J. PERKINS, loc. cit.

122 Liverpool directories, 1835-40.

123 S. D. CHAPMAN, *Financial Restraints on the Growth of Firms*, « Econ. Hist. Rev. » (forthcoming).

124 M. LÉVY-LEBOYER, *Les banques européennes* ... (Paris, 1964), p. 513. For Greeks in Marseilles, see Ralli, Rodocanachi, and other dispersed trading families in Section IV.

TABLE 5

CRUDE ESTIMATES OF THE VALUE OF BRITISH AND FOREIGN CAPITAL FINANCING BRITISH OVERSEAS TRADE, 1836

Sector		*British contribution*
India and China	"nearly the whole"	say 95%
South America	"at least seven-eights"	90%
North America		80%
Continental Europe		33%
"Colonial trade" *	"the whole"	100%

* West Indies, Africa, Australasia.

Sources: J. B. SMITH, *Report . . . on the Effects of the Administration of the Bank of England* (1839), p. 15, for all proportions except North America, which is from *Circular to Bankers*, 23 June 1836, pp. 401-2.

A further important contribution of the International Houses is connected with the nature of marketing in foreign countries before the days of the marine telegraph and rapid communications. Selling abroad was essentially a speculative business, not only because anticipation of consumer taste was often a groping, hit-or-miss process, but also because foreign markets could be glutted or starved by the chance circumstances of epidemic, war, peace, and competitors' guesses about these matters, and foreign debts were practically impossible to recover.[125] A large merchant-manufacturer from Glasgow who had offices abroad probably represented the general view when he said that « sometimes our foreign markets give us very large profits, and at other times we get less than the goods cost us; but at present [1836] . . . we should be glad to contract to deliver our goods upon a profit of 3 to 5 per cent upon our capital, over and above interest . . . ».[126] Robert Gardner, a leading Manchester merchant-manufacturer, felt much the same. « Ever since I have been in business [1815-35] », he said, « I have known no period in which some of the foreign markets have not been overstocked . . . we send [abroad] ten different articles, and one will sell at 50 per cent profit and another at 20 to 30 loss because the one particular market is overstocked

125 E. M. SIGSWORTH, *Fosters of Queensbury and Geyer of Lodz, 1848-62*, « Yorkshire Bulletin », III (1951), for a case-study of the problems of recovery of foreign debts.

126 *S. C. on Manufactures*, P.P., 1833, p. 329, ev. of Wm. Graham.

and the other understocked . . . We sometimes have goods sell at an extravagent profit and other goods in the same shipment which, in consequence of the goods being out of fashion or the market overstocked, have sold at a loss . . . ».[127]

British merchants pioneered the trade in manufactured goods in India, South America, and China, and, with the exception of a few locations, dominated international trade in these sectors for most of the nineteenth century. The characteristic British overseas operator was the commission agent trading on the capital of the acceptance houses and the manufacturers, but the most successful of these concerns, like Antony Gibbs & Sons in South America, James Finlay & Co. in India, and Jardine, Matheson & Co. in China, built chains of partnerships similar to some of those examined in this article.[128] However, the Germans and Greeks possessed superior expertise in eastern Europe and the Middle East, and the Ulster Scots had more enduring family connections with North America. Backed by British financial organisation, these minorities assumed (or resumed) trade leadership in these sectors. The Greeks, in particular, sought out new markets in « distant and semi-barbaric regions where Manchester fabrics were before as unknown as the very name itself in England ».[129] There were few attempts to link British and German, or Greek houses in partnership, and the exceptions did not succeed for long.[130]

The supra-nationalist outlook of religious and ethnic minorities gave them distinct advantages. Intimate local knowledge was the best defence against commercial and political threats, and the family network transmitted intelligence most readily and was quickest to respond to it. And while each family maintained a rivalry with others in the "tribe", there was sufficient understanding between

127 *S. C. on Handloom Weavers' Petitions*, P.P., 1835, p. 159.

128 [C. Brogan], *James Finlay & Co. Ltd., 1750-1950* (Glasgow, 1951) Ch. II. J. A. Gibbs, *The History of Antony and Dorothea Gibbs* (1922), p. 451. M. Greenberg, *loc. cit.*

129 Quoted in S. Fairlie, *op. cit.*, p. 290.

130 For Anglo-German connections see eg. Finlays and Baumeisters (C. Brogan, *op. cit.*, p. 12), and James Holford of Manchester and Holfords, Sauer & Co. of Hamburg and St. Petersburgh. (Brandt Circulars, 1837, 1840. B. of E. M. Ltrs, 11 Feb 1832).

them for members to insulate each other against crises, and to act collectively to improve or maintain their national image.[131] The importance of such tribal solidarity is best understood by reference to the activities of other foreigners trading in Britain. Despite their early involvement in British finance, the Dutch failed in their endeavour to find a footing in northern commerce. Daniel Willink, the Dutch Consul in Liverpool, speculated in cotton backed by his Amsterdam and New York, family, Labouchère (late of Hope & Co.), Barings, and others, but failed for some £ 70,000 in 1829.[132] Da Costa, the Portugese Consul at Liverpool, failed twice.[133] The international Hugenot families maintained a commanding position in Frankfurt well into the nineteenth century, but in Britain they faded out during, or soon after, the French Wars, except in a few cases where they had united themselves with German trading familes.[134] Their only distinguished successor was Francisco de Lizardi & Co., who had offices in Paris, London, Liverpool and New Orleans, and was heavily involved in financing the trans-Atlantic cotton trade, but he was not French by birth.[135] A handful of French, Italian, and Spanish commission agents settled in Manchester and Liverpool, but they do not appear to have achieved any eminence.[136]

We may conclude, therefore, that the International Houses played an important part in the development of the British economy, not only because of their family-centred loyalties. They increased

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131 Eg (1) J. H. Schröder & Co.'s absorption of debts of six family partnerships that went bankrupt, two in 1848, three in 1857, and one in 1869. ("Private ledger of J. H. S. & Co., London. Bad Debts since 1848" in the Company's archives). (2) The Bank of England's Manchester Agent reported in 1851 that bankruptcies among Greek firms were « generally kept very quiet by the parties involved in order that they may get out of their difficulty the more favourably . . . » (B. of E. M. Ltr Bks, VIII (1852), p. 5).

On protection of the national image see J. JAMES, *History of the Worsted Manufacture* (1857), p. 411, and B. WILLIAMS, *Manchester Jewry*, passim.

132 B. of E. Lp Ltrs, 21 Sept, 1 Oct 1829. J. A. Willink letter-books, 1817-19, 1826-8, New York Historical Society, for further details of the family.

133 B. of E. Lp Ltrs, 24 Jan 1829.

134 [ANON.], *Geschichte der Handelskammer zu Frankfurt a.M.* (1908), esp. pp. 103-111. English Hugenots in H. LÜTHY, *La banque protestante*, II, checked in London directories.

135 B. GILLE, *Les Rothschilds*, I, p. 403. B. of E. Lp Ltr Bks, X (1849), p. 159.

136 Their names are listed in J. SCHOLES, *loc. cit.*

industrial prosperity by stimulating the local manufacturers to make fabrics, hardware, and other goods most suited to their own home areas, and the markets where they were familiar with the local terrain. Their judicious buying helped to smooth the momentum of industrial advance because they made their purchases when prices were low and the rest of the market slack.[137] And finally, their migration brought valuable reserves of entrepreneurial experience to Britain at a period when resources of enterprise were extended and bankruptcy was regularly depleting the ranks of the mercantile class. The industrialisation of Britain was a *European* process, in which Germans, Greeks, American Irish, and a smattering of other races (Dutch, French, Italians, and others) contributed their expertise, much as British enterprise was contributing to the development of commerce and industry on the Continent and in the newly-developing regions of the world.

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[137] Rothschild Letter Books, 1800-05; J. JAMES, *Worsted Manufacture*, loc. cit.