

Corporate Identity and Entrepreneurial Initiative: the Levant Company in the Eighteenth and Nineteenth Centuries

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This article is an investigation of the link between institutional, contractual and individual aspects of the operations of a grant chartered company: the English Levant Company trading in the Levant between 1580 and 1825. The paper aims at a better understanding of the Company's business within different social and economic circumstances; it seeks to reveal its multifaceted and still unknown relevance to local societies and economies within the Ottoman Empire. Using primary material referring to the operation of a single factory and a variety of secondary sources, the paper reveals the action of individual centres of power functioning around influential personalities of social and economic status. It is shown that the members of the Company pursued a business strategy that enriched their relational capital and allowed them to develop overlapping and sometimes contradictory identities. The diversity of local conditions and situations influencing each factory's profile and role, agency problems and individual entrepreneurial tactics did not allow the development of a strong corporate identity. The gradual and/or coincidental laxity of the Company's control over its officers and members was also an acknowledgment of the impossibility of combining monopoly with a free strategy for flexible and profitable business and a strong corporate identity with entrepreneurial initiative.

1. Introduction

Chartered companies have been considered concurrent and instrumental to the growth of long-distance trade in the early-modern

period.¹ This type of corporation that evolved in sixteenth-century Europe took its name from the charter granted to it by a sovereign authority, a charter that ensured it a trading monopoly in a specific geographical area or for a specific type of trade. The charter set out the terms under which the company could trade, defined its boundaries of influence, and described its rights and responsibilities. Since the sixteenth century, the English, French and Dutch governments encouraged chartered companies to assist trade and promote overseas exploration, driving, therefore, private resources to carry on a policy of foreign trade when treasury resources were limited. Early trading companies founded in Britain under a royal charter were usually formed as joint-stock or regulated companies. In the first case, the organisation itself transacted the business, operating on the joint capital invested by members, each of whom shared proportionately in the profits and losses. This was the case of the Muscovy Company (1553-1746), the East India Company (1600-1858), the Hudson's Bay Company (1670) and the Royal African (1672-1712).² In a regulated company – as was the case of the Levant Company, chartered in 1581 and dissolved in 1825 – each member was an independent trader operating with his own capital and limited only by the general rules of the company charter.³

Analytical interest in the early trading companies originated, in its first stages, from an awareness of their key role in the expansion of British trade overseas in the seventeenth century. This interest triggered a more in-depth study of their organisation and operation. The role that some of them had in the colonisation of the New World and their recognition as some of the earliest and most important examples of joint-stock companies attracted even more the attention of historians and

¹ Ann M. Carlos, 'Agent opportunism and the role of company culture: the Hudson's Bay Company and the Royal African Companies compared' in *Business and Economic History*, second series, 20 (1991), p. 142.

² Ann M. Carlos and St. Nicholas, 'Giants of an earlier capitalism: the chartered trading companies as modern multinationals' in *The Business History Review*, 62/3 (Autumn 1988), p. 403. Also S. Cawston and A. H. Keane, *The Early Chartered Companies*, (London 1896).

³ See also Encyclopedia Britannica, 'chartered companies'.

produced very interesting case studies.⁴ These studies provided valuable information and became important references for many other historians and researchers who studied the expansion of British shipping and trade from the seventeenth to the nineteenth century, the emergence of British enterprise, and the life and activity of British entrepreneurs in foreign lands.⁵

The companies differed in certain characteristics – date of charter, size and location of trade – but they were similar in others. It was the consideration of these similarities – more precisely their joint-stock organisation, the way they conducted business to economise on a high number of recurrent transactions within distant and imperfect markets and their innovative business administration – that led to their comparison to modern business organisations. It was argued that early trading companies appeared to be '*analogous*' to modern business organisation '*since a hierarchy of salaried managers coordinated the flow of goods, services, and information over long distances, and administrative mechanisms were designed to extend headquarter control over managers in overseas offices*'. Furthermore, the companies '*structured a nexus of internal contracts (owners and managers, managers and overseas agents) and external contracts (spot market, long-term contracts, and vertical integration)*' that allowed them to make profits and operate in distant markets.⁶ This perception led to the comparison of their similarity in terms of organisation, structure and

⁴ S. Cawston and A. H. Keane, *op.cit.*; M. Epstein, *The Early History of the Levant Company*, (London 1908); A. Wood, *A History of the Levant Company*, (London 1935); D. Mackay, *The Honorable Company: a History of the Hudson's Bay Company*, (London 1937); T. S. Willan, *The Early History of the Russia Company*, (New York 1956); E. E. Rich, *Hudson's Bay Company, 1660-1760*, (London 1958); K. Davis, *The Royal African Company*, (London 1957); K. N. Chaudhuri, *The English East India Company: the Study of an Early Joint-Stock Company, 1600-1640*, (New York 1965).

⁵ See among others R. Davis, *Aleppo and Devonshire Square: English Traders in the Levant in the Eighteenth Century*, (London 1967); Sonia P. Anderson, *An English Consul in Turkey: Paul Rycaut at Smyrna*, (Oxford 1989); D. Goffman, *Britons in the Ottoman Empire 1642-1660*, (Washington 1998).

⁶ Ann M. Carlos and St. Nicholas, 'Theory and history: seventeenth-century joint-stock chartered trading companies' in *The Journal of Economic History*, 56/4 (Dec. 1996), p. 916.

operation to multinationals and, ultimately, to their integration into the evolution of the modern multinational enterprise.⁷

The academic discussion stimulated by these approaches revived and enriched the analysis of chartered companies providing, at the same time, interesting analytical and methodological tools that have been considered, utilised and, sometimes, criticised.⁸ Whether these theoretical approaches apply to all chartered trading companies emerging during that period, irrespective of their organisation, the type of trade they conducted, the period they operated and, most importantly, the social, economic and political environment within which they operated, remains to be proved. It is also true that the argument concerning the modern and multinational character of early trading companies has been based upon clues referring to their organisation as joint-stock companies, leaving outside the argument regulated ones – the most important and indicative example of the latter being the Levant Company chartered by Elizabeth I in 1581 to trade exclusively with the Ottoman Empire.

The paper that follows is an introduction to an investigation of the link between institutional, contractual and individual aspects of the Levant Company's operations in the Eastern Mediterranean; their variation from one outpost to another, and their evolution over time. In other words, it is a first step to a better understanding of the Company's operation within different social and economic environments: an attempt to reveal the Company's multifaceted, but still unknown, relevance

⁷ K. N. Chaudhuri, 'The English East India Company in the seventeenth and eighteenth centuries: a pre-modern multinational organisation', in L. Blusse and F. Gastra (eds), *Companies and Trade*, (The Hague 1981), pp. 29-46; Ann M. Carlos and St. Nicholas, 'Giants', *op. cit.* also 'Agency problems in early chartered companies: the case of the Hudson's Bay Company' in *The Journal of Economic History*, 50/4 (1990), pp. 853-875; 'Managing the manager: an application of the principal/agent problem to the Hudson's Bay Company' in *Oxford Economic Papers*, 45 (1993), pp. 243-256. Also Ann M. Carlos, 'Agent Opportunism', *op.cit.* and G. Boyce and S. Ville, *The Development of Modern Business*, (London 2005) in translation, Athens 2005, p. 4.

⁸ Ann M. Carlos and St. Nicholas, 'Theory', pp. 916-924 as a reply to S. R. H. Jones and S. P. Ville, 'Efficient transactors or rent-seeking monopolists? The rationale for early chartered trading companies' in *The Journal of Economic History*, 56/4 (Dec. 1996), pp. 898-915; M. Casson, 'Modelling the chartered trading companies' in *Discussion Papers in International Investment and Business Studies*, No. 203, (University of Reading 1995).

to local societies and economies inside an immense Ottoman Empire.

At this early stage, some evidence is provided from two sources belonging to the same archive: the first is the correspondence of the Levant Company's factory in the port of Salonica and the second, a collection of documents referring to Bartholomew Edward Abbott's family, one of the most eminent families of British origin trading in this area; both series are kept in the Levant Company's archive in London.⁹ Following an introductory section on the organisation of the Levant Company, some key issues revealing the type of business partnership the Company represented are examined briefly: the role of the Salonica factory in the constellation of the Company's representations around the Mediterranean and, in particular, with relation to the one in Smyrna, hidden information and action by the factory's officials and members, the existence of a corporate identity and its relevance to entrepreneurial behaviour.

To address the above issues and provide some analytical clues when necessary, the paper draws on some interesting theoretical viewpoints from the theory on early trading companies and merchant initiatives, network analysis and the entrepreneurial theory of the firm.

2. The Levant Company

The Levant Company was founded to provide a permanent mechanism for securing the observance of the capitulations first granted to the English in 1580.¹⁰ Their chief provisions specified lists of custom

⁹ National Archives, State Papers [SP] 105/120-1 42 and SP 105/137 f. 148r-308r.

¹⁰ In 1575 Edward Osborne and Richard Staper, distinguished members of London's merchant community, sent their agents to Constantinople in order to explore the possibilities of trade and establish a contact with the Ottoman authorities. The mission proved very successful, as the representatives of the two merchants obtained permission to reside, and the commitment of the Ottoman authorities to allow and protect English trade inside their dominion. Presently, an official document, the capitulations, was signed by Sultan Murat III and Queen Elizabeth I. In twenty-two articles the privileged status, the rights and the obligations of the English merchants who would have permission to operate in the Ottoman Empire was defined. D. MacPherson, *Annals of Commerce...containing...Mr. Anderson's History of Commerce from 1492 to the end of reign of George III*, V. II, (London 1805), p. 165

duties on imported and exported commodities – the so-called tariffs that were periodically renegotiated by the Company's officials and the Ottoman authorities – and gave guarantees that no other taxes at all would be imposed on the English. They also assured freedom of movement of Englishmen and their goods without molestation, permitted judgment of disputes among themselves by their own consuls rather than by Ottoman courts, and provided that cases involving Englishmen which did not come under Ottoman law should be handled at Constantinople rather than by provincial officials.¹¹ Soon after the capitulation agreement, the English authorities granted twelve English merchants the exclusive right to trade in the Ottoman Empire for seven years; this group constituted the first nucleus of a chartered company that became known as the Levant Company or the Turkey Company.¹²

The enforcement of the capitulations necessitated the formation of an administrative apparatus of officials established in the Levant. In 1582 William Harborne was appointed as "true and undoubted orator, messenger, deputie and agent" of the Crown in Constantinople.¹³ Soon after, the Company launched agencies or factories in various ports and commercial centres of Asia Minor, the Middle East, North Africa and the Peloponnese, and appointed consuls, treasurers and chancellors.¹⁴ In these areas Freemen/members of the Levant Company arrived and took up residence or sent their factors and agents to represent them. The structure and the organisation of a monopolistic system of trade started to take shape while its main actors came into view.

¹¹ R. Davis, *op.cit.*, p. 45.

¹² For the history of the Levant Company see M. Epstein, *op. cit.*; A. Wood, *op. cit.*; also G. Ambrose, *The Levant Company, 1640-1753*, (unpublished PhD Dissertation, Oxford University 1935). On the organisation of the company see also E. Lipson, *Economic History of England. The Age of Mercantilism*, V. II, (London 1931), pp. 335-344. For the early history of Anglo-Ottoman relations see D. Goffman, *op.cit.*

¹³ S. A. Skilliter, *William Harborne and the Trade with Turkey, 1578-1582: a Documentary Study of the First Anglo-Ottoman Relations*, (Oxford 1977).

¹⁴ For the history of the Aleppo factory see: R. Davis, *op.cit.*; for Cyprus, see Sir H. C. J. Lukes, *Cyprus under the Levant Company and After*, (Oxford 1921). For Smyrna see Sonia P. Anderson, *op.cit.* and an extensive reference in Elena Frangakis-Syrett, *The Commerce of Smyrna in the Eighteenth Century (1700-1820)*, (Athens 1992), pp. 76-85.

In order to become a Freeman, a merchant had to pay an admission fee to the Levant Company. In 1661, London citizenship, or residence within 20 miles of the city, was introduced as another necessary condition for admission to the Company. This provision confirmed the Company's exclusive membership and introduced London as the centre of entrepreneurial activity directed towards the Levant.¹⁵ It was only in 1753 that all restrictions to free admission of members were abolished, and, for the first time officially, British subjects of Jewish origin were admitted to the Company.¹⁶ Since very early in the Company's history, captains of British vessels and foreign citizens who received British protection in the form of a licence were also allowed to trade in the Levant.¹⁷ Ottoman subjects, in particular Greeks, Jews and Armenians, constituted a special category of 'foreigners' who traded under the Company's protection and were thus guaranteed tax exemption, commercial privileges and, to a certain degree, personal security.¹⁸

Soon after election, each Freeman swore an oath to obey the Company's rules and principles as described in the Company's by-laws, not to send any merchandise to the Levant, except on his own account and not to consign it to any but the Company's agents or factors. Freemen and licensees could, nevertheless, evade rules and collaborate

¹⁵ R. Davis, *op.cit.*, pp. 67-74. The exclusive character of the Company was fiercely attacked by its opponents but was repeatedly endorsed by its administration. Some analysts have used this argument as a basis for their theory on the development of a British merchant gentleman culture that coincided with and determined the expansion of British trade overseas see S. Mentz, *The English Gentleman Merchant at Work. Madras and the City of London 1660-1740*, (Copenhagen 2005), pp. 68-70; cf., H. V. Bowen, *Elites, Enterprises and the Making of the British Overseas Empire, 1688-1775*, (London 1996).

¹⁶ Behind this stance was the fear that the British merchants of Jewish origin would eventually monopolise transactions, collaborating with the Ottoman Jews. In the 1753 Provision, it was clearly stated that Jewish Freemen were not allowed to employ Jewish factors and agents in the Levant; A. Wood, *op.cit.*, p. 155.

¹⁷ Sonia A. Anderson, *op.cit.*, pp. 136-138. The same privileges were also recognised for captains in the service of the East India Company see H. V. Bowen, 'Privilege and Profit: the Commanders of East India and Private British Exports to Asia, c. 1760-1813', *Proceedings of the 4th International Congress of Maritime History*, Corfu, Greece, 23-27 June 2004, International Maritime Economic History Association (in CD).

¹⁸ Sonia A. Anderson, *op.cit.*, p. 124.

with non-members and foreigners if they paid a fine of up to 20% of the value of the commodities traded.¹⁹

The Company's organisation as a regulated chartered trade company distinguished it totally from other chartered companies founded as joint-stock companies from the sixteenth century onwards.²⁰ In 1605 the revised by-laws regulated permanently the Company's organisation.²¹ It was therefore established that the Company's administration would be elected by the General Assembly of its members, taking place in London during the first fortnight of February each year. It comprised the governor, the deputy governor and an eighteen-member body of assistants. The elected administration of the Company participated, together with the Company's members, in the General Court that had extended executive, legislative and judicial powers and met regularly.²² The General Court worked out, ratified and published orders and decrees, fixed taxes and duties charged upon Freemen, appointed and dismissed officers, imposed penalties and fines on Freemen, Licensees and officials who violated its rules.²³

The factories founded in various outposts in the Eastern Mediterranean acted as symbolic and physical bonds representing the Company's long-term commitment to its market. Consuls, vice-consuls, treasurers and chancellors ensured the enforcement of the capitulations, represented the Company and its members to the local authorities and provided various bureaucratic services to British subjects. Each consulate provided a building to hold inventories of trade, correspondence and other administrative documentation.²⁴ From its early days, the Company followed a protective policy of concentrating its activity around a small

¹⁹ A. Wood, *op.cit.*, pp. 205-228.

²⁰ It has been maintained that the Levant Company operated initially and for a short period as a joint-stock company; this information has not been verified. Since 1590 the Company operated as a regulated company. A. Wood, *op.cit.*, pp. 127-128.

²¹ During the first decades of the Company's operation its charter was renewed regularly; in 1605 (14 December) it was guaranteed 'for ever', *Ibid.*

²² *Ibid.*, pp. 205-228 and Sonia A. Anderson, *op.cit.*, p. 117 ss.

²³ A. Wood, *op.cit.*, pp. 86-87. The Company paid annual salaries, travelling expenses and compensations to its officials employed in the factories in the Levant.

²⁴ Ann Carlos and Stephen Nicholas, 'Giants', p. 411.

number of important operational centres (initially in Constantinople, Smyrna and Aleppo),²⁵ reflecting a strategy for safe and high profits combined with limited stocks.²⁶ From the mid-seventeenth century, however, vice-consulates were founded on many Greek islands, and in Athens, Larnaca, Thessaloniki, and Arta. Until the nineteenth century the Company was also represented in various ports on the coasts of Syria and also in the Dardanelles, Bucharest and Andrianople.²⁷

The Company retained until its dissolution the right to tax British trade in the Levant, imposing consular duties, rates, fees and fines on its operators. The Freeman paid in London a rate of 2% on the value of their transactions in the Levant (both imports and exports). Their agents and factors paid another 2% on the value of imported and exported commodities in the various factories where these commodities arrived for trading. This rate did not remain fixed but it varied according to the needs of the Company and the conditions of trade. Any violation of the Company's by-laws by Freeman and non-members was charged with a 20% fine on the value of imported and exported cargoes.²⁸

²⁵ Currants were the main commodity traded by the British from the Ionian Islands to London. The major operational centre of this trade was the port of Patras, where a representative of the Company was established and assumed the duties and the title of 'Consul General of the Peloponnese'. Initially, a joint-stock company was organized by the Levant Company to undertake the currant trade. This company ceased towards the end of the seventeenth century. It has not yet been assessed which part of this company's profits concerned private interests and which the Levant Company, *ibid.*, p. 164. Until the late eighteenth century the Consul General of the Peloponnese was a British subject. Another consul was appointed directly by the English Crown on the island of Zante, see A. Wood, *op.cit.*, pp. 70-71. For the activity of British merchants in the area and their long-lasting rivalry with the Venetians see Maria Fusaro, *Una passa. Una guerra commerciale tra Venezia e l'Inghilterra (1540-1640)*, (Venice 1996); also by the same 'Commercial networks of cooperation in the Venetian Mediterranean: the English and the Greeks: a case study', in D. R. Curto and A. Molho (eds), *Commercial Networks in the Early Modern World*, EUI Working Paper, HEC n. II, (Florence 2002), pp. 121-147. The consulate general operated in Patras until the nineteenth century.

²⁶ According to a decree of 1683, the Company was not responsible for securing the commercial transactions of its Freeman and factors that took place outside Constantinople, Smyrna and Aleppo. Those officials and consuls who offered protection to merchants operating outside the sphere of influence of the Company had to assume personal responsibility and pay expenses. A. Wood, *op.cit.*, pp. 127-128.

²⁷ *Ibid.*, pp. 122-123, 164, 196, 213.

²⁸ Sonia A. Anderson, *op.cit.*, pp. 117-130 and A. Wood, *op.cit.*, pp. 205-213.

Foreign merchants and captains of vessels paid a special duty to the Company. The rate of this duty – at periods a very important source of income for the Company – was also frequently revised.²⁹

The Company's monopoly extended to the organisation of the maritime transport of goods and commodities to and from the Ottoman Empire. In 1625 the Company inaugurated the system of "general ships" that were freighted annually by its administration; in other words, it was the Company officials in London who decided the distribution of cargos on the vessels and the dates of departure. The Company's Freemen were not allowed to send cargos to the Levant on general and private ships as well, unless they paid a fine of 20% on the value of the transferred merchandise. If they preferred to act independently, they assumed personal responsibility for picking up a vessel, for the organisation and the safety of the trip, the loading of the cargo and the agreement for the date of departure. They were nonetheless obliged to keep the Company informed on their operation and pay the usual duties and taxes. In 1744 this system was abandoned after being severely criticised.³⁰

During the first period of the Company's history, textiles and tin were exported in significant quantities to Constantinople, the island of Chios, Syria and Egypt, and were exchanged for raw silk, cotton, mohair and woollen yarn, carpets, dyes and drugs, spices and currants. From the seventeenth century onwards, the foundation of the East India Company influenced the quality and quantity of merchandise transacted in the ports of the Eastern Mediterranean by British merchants.³¹ Throughout the eighteenth century the major transaction carried out in the factories

²⁹ Sonia A. Anderson, *op.cit.*, pp. 122-124. The British and foreign merchants also paid customs duties in the port of London; A. Wood, *op.cit.*, p. 152.

³⁰ The general ships made stops in Portuguese and Spanish ports, in Leghorn and later on in Malta, while frequent ports of call were Crete, Cyprus and Tenedos for those ships that were heading to the Dardanelles and Constantinople; see Sonia A. Anderson, *op.cit.*, pp. 130-152. See also R. Davis, *The Rise of English Shipping Industry in the Seventeenth and Eighteenth centuries*, (Newton Abbot 1972).

³¹ For the expansion of British trade in the seventeenth century see C. Matterson, *English Trade in the Levant, 1693-1753*, (unpublished PhD dissertation, Harvard University 1936) and Sir W. Foster, *England's Quest of Eastern Trade*, (London 1933).

of the Company in the Levant was woollen textiles traded for silk.³² Linen, colonial goods, clocks and jewellery, tin, lead, iron, guns and powder were also sent to the markets of the Ottoman Empire to be exchanged for raw materials, Levantine goods and products.³³ The immense growth of the British textile industry from the late eighteenth century brought a vast increase in the exports of cotton yarn and textiles to the East.³⁴ This growth was checked by political and military events connected with the French Wars and with Franco-British rivalry which immensely affected trade and transport in the Mediterranean.³⁵

The Company implemented a foreign and economic policy in close relationship with the Crown and the government: it was a relationship of cooperation and dependence that served primarily the interests of both parties, together with the common objective of promoting English trade in the Eastern Mediterranean. Until its dissolution, the Company remained faithful to the commands of the Crown and to the government's policies as they were expressed by the Privy Council and Parliament while, during certain periods, it was determined by government officials or representatives of the British political and social establishment.³⁶ It is interesting to note that two of the most longstanding British foreign secretaries in the late eighteenth and the early nineteenth century,

³² For this transaction the barter method was usually utilized and the two commodities were frequently referred to as 'money goods'. For this practice, that was particularly developed in Aleppo, see R. Davis, *op.cit.*, pp. 32-35, 69, 77-78 and A. Wood, *op.cit.*, p. 152.

³³ R. Beaujour, *Tableau du Commerce de la Grèce... 1787-1797*, V. II, (Paris 1800), in translation Athens, 1974, pp. 169-189.

³⁴ From a value of £355,060 in 1780, the value of exports rose to £1,875,046 in 1791, £7,000,000 in 1801 and £30,795,000 in 1825; in E. Lipson, *op.cit.*, p. 96. Also R. Davis, *op.cit.*, pp. 26-43.

³⁵ See, among others, F. Crouzet, *L'économie britannique et le blocus continental (1806-1812)*, (Paris 1987).

³⁶ One of the most indicative cases is that of Sir Isaac Pennington, a well-known and eminent merchant who was appointed Governor of the Company in 1644, while at the same time he held a number of important public posts; C. Hill, *The Century of Revolution, 1603-1714*, (London 1974), p. 60. Also see references in Gigliola Pagano De Divitiis, "Arthur Pennington: an English Catholic, alchemist, and merchant in seventeenth-century Italy", *Proceedings of the 4th International Congress of Maritime History*, Corfu, Greece, 23-27 June 2004, International Maritime Economic History Association.

Francis, Duke of Leeds, and Lord William Grenville, served many years as Governor of the Company.³⁷

On 19 May 1825 the Levant Company ended its life by a government decree ratified by the British Parliament. Its final act was preceded by decades of intense criticism of its role and efficiency coming from advocates of the principles of free trade. Its authority had already been undermined by direct interventions of the Crown since the eighteenth century. On the other hand, in the early nineteenth century conditions were suited for the state to undertake the design and the implementation of a national trade policy; this was an idea supported by many governmental officials who used their influence to succeed in disbanding the Company.³⁸

3. The Salonica Factory: a Latecomer

The operations of the Levant Company's factory in Salonica from 1792-1825 are depicted in detail in the consular correspondence kept in the Levant Company's archive in London.³⁹ A variety of issues concerning the life and the activity of British officials, merchants and factors established in the port, the organisation of the factory and its role in the network of representations set up by the Levant Company, are revealed through the study of these documents.⁴⁰ It is therefore possible to discern the growth of the factory's individual profile in response to the changing priorities of British foreign and commercial policy, private interests and personal relations, the conditions of the segregated and unstable market economy of the Ottoman Empire, and finally,

³⁷ E. Ingram (ed.), *Anglo-Ottoman Encounters in the Age of Revolution*. Allan Cunnigham. *Collected Essays*, V. 1, (London-Portland 1993). Lord William Grenville was also the last governor of the Company; he took up his duties in 1799.

³⁸ Among them was William Huskisson, President of the Board of Trade from 1823. Huskisson was the principal advocate of a national free-trade policy and the main person responsible for the dissolution of the Company; see A. Wood, *op.cit.*, p. 199.

³⁹ National Archives, SP 105/126-138 and SP 105/120-125, 136-142.

⁴⁰ See Despina Vlami, 'British trade and diplomacy in the Eastern Mediterranean. The Levant Company in Thessaloniki, 1792-1825', *Mesatonika kai Nea Ellinika*, 9(2008), pp. 143-267, (in Greek).

international historical circumstances affecting the economy and transport in the Eastern Mediterranean and locally. This was the case for each factory belonging to the system of representations of the Levant Company: its specific character and role was reflected not only in the volume and the value of transactions carried out or the type of commodities exchanged throughout its history, but also in its organisation, the services it provided, the relations between factors, factors and officials, officials and the Company, and officials and the local authorities.

For centuries Salonica had been considered an exclusive outpost of French trade; some British merchants operated there independently under the protection of the French Consul.⁴¹ The Levant Company was not represented in the port until quite late in its history.⁴² In 1690, in one of his letters to the Ambassador in Constantinople, Sir William Trumbull, the Deputy Governor of the Company, maintained that opening a factory in Salonica was against the Company's policy of checking the expansion of its activity and of restricting enterprise to a few geographical areas where its factories would operate and manage a large volume of transactions. According to Hussey, another reason that held back the opening of a factory in Salonica was the reaction expressed in the factory at Smyrna – '*the gentlemen of Smyrna...positively oppose it*'.⁴³ Hussey's statement confirmed the highly antagonistic character of internal Company relationships, and showed that priorities and interests differed from one factory to another; on the contrary, the pursue of profits divided both factories and Freemen in equal measure. It also proves that strong personal or, as was the case, group interests could be heard, could go through administrative channels and be asserted, influencing the Company's policy and undermining its image of an independent solid institution.

⁴¹ N. Svoronos, *Le commerce de Salonique au 18^e siècle*, (Paris 1956), in translation Athens 1996, pp. 195-198; M. Lascaris, *Salonique à la fin du XVIII^e siècle*, (Athens 1939), p. 11.

⁴² During this period the Company was already represented in Constantinople, Smyrna, on the Syrian coast, in the Aegean Sea, in Athens, in the Peloponnese, in the Ionian Islands and on the coast of Egypt, A. Wood, *op.cit.*, p. 122.

⁴³ A. Wood, *op.cit.*, p. 122 and Despina Vlami, 'British trade', pp. 166-167.

The Levant Company's factory in Salonica opened in 1715 and the merchant Richard Kemble was sent out to assume the duties of Consul.⁴⁴ Although at the beginning rivalry fashioned the relationship between the factories at Smyrna and at Salonica, in the following years the direction and the relationships of international commerce led to their multiple links.⁴⁵ The Salonica factory was often run by British Consuls who had started their career as merchants in Smyrna: Richard Kemble and Francis Charnaud, the first and the last British Consuls in the port were two examples.⁴⁶ Members of the British merchant community in Smyrna often represented their interests in Salonica; they were established in the port for certain periods, or visited the city on business. Francis Charnaud's proposal to the Company in 1801 to settle their accounts through the treasury of the Smyrna factory reveals another dimension of the relationship between the two factories. Smyrna, traditionally an important market for bills, offered the Salonica merchants many options for the transaction, sale and purchase of credit. Charnaud proposed to the Company that he be paid by the treasurer in Smyrna and draw a bill that he would exchange through the Company's current account with the specific factory.⁴⁷

For British traders Salonica was important as an intermediate maritime station in the complex network of commodity transport routes that developed around and through the major Ottoman emporium of Smyrna.⁴⁸ The network also comprised Constantinople, continental Greece, the Ionian and Aegean islands, Alexandria, Aleppo, Adana, Attalia, Ikonio, and – in the East – Tokat, Erzeroum, Digiarkir and

⁴⁴ *Ibid.*, p. 165.

⁴⁵ *Ibid.*, pp. 167-169. It is interesting to note that the Company's administration often cultivated the antagonism between the two factories so as to promote its objective, usually to enforce compliance with its orders and effectiveness in the management of the factory.

⁴⁶ Francis Charnaud's term of office in Thessaloniki's Consulate (1792-1825) was the last and the most long-lasting in the history of this factory, *Ibid.*, p. 168.

⁴⁷ On the trade of bills of exchange in Smyrna see A.B. Cunningham (ed.), 'The Journal of Christophe Aubin: a report on the Levant trade in 1812', *Archivium Ottomanicum*, 8 (1983), pp. 116-119 and Elena Frangakis Syrett, *op.cit.*, p. 16.

⁴⁸ *Ibid.*, pp. 153-187.

Mosul.⁴⁹ European commodities arrived in Salonica from Smyrna, whereas raw materials – mostly grains, tobacco, cotton and silk – were transported from Salonica's hinterland to Smyrna to be distributed within the Ottoman Empire by land or by sea.⁵⁰ Salonica was a common port of call and supply depôt for British ships returning to London from Smyrna; in Salonica they often topped up their cargo.

The entry of Britain into the French Wars in 1793 and the outbreak of Franco-British rivalry signalled the beginning of a new period for British enterprise in the Mediterranean. Military events and blockades hindered transactions and impeded maritime transport. The direct linking of the port of Salonica with Central Europe by means of a system of popular and well-travelled inland routes attracted foreign and local merchants when the crisis in the Mediterranean prevented transport and necessitated locating alternative routes to continental Europe. Therefore, after 1806, when the Continental blockade interrupted British trade with Marseilles, Genoa, Leghorn and other major Mediterranean ports, the port of Salonica became British commerce's gateway to Central Europe and the Balkans. The occasion was described by a Levant Company official as '*the Great Trade carried through Salonica...*'⁵¹ In that historical conjuncture, Malta, which throughout the French Wars served as a major naval base, depôt and intermediary station for British trade in the Mediterranean, was directly linked with Salonica and Smyrna.⁵² The relations between the two ports and factories were reinforced. Using the London-Malta-Salonica-Smyrna route and back, British merchandise

⁴⁹ *Ibid.*, p. 16. For the role of Smyrna in the sixteenth century see D. Goffman, *Izmir as a Commercial Center. The Impact of Western Trade on an Ottoman Port, 1570-1650*, (unpublished PhD Dissertation, University of Chicago 1985).

⁵⁰ N. Svoronos, *op.cit.*, p. 244 and Elena Frangakis Syrett, *op.cit.*, p.33.

⁵¹ First reference in the SP 105/123, pp. 327-331: Company to Consul General Isaac Morier (Constantinople), London 7 July 1813.

⁵² Mirella D' Angelo, *Mercanti inglesi a Malta 1800-1824*, (Milan 1990) and Mirella D' Angelo 'Malta dei Cavalieri agli Inglesi', in P. Fornaro (ed.), *Transizione e sviluppo. Le periferie d'Europa (sec. XVIII-XIX)*, (Rubettino 1998), pp. 145-175. Also Mirella D'Angelo, 'British Trade and Merchants in the Mid-Mediterranean: an Alternative Market during the Napoleonic Wars', in Mirella D'Angelo and C. Vassalo (eds.), *AngloSaxons in the Mediterranean: Commerce, Politics and Ideas (XVII-XX cent.)*, (Malta 2006), pp. 1-18.

and colonial goods were transported to Ottoman markets and Central Europe while raw materials left Salonica for Malta and London.⁵³

The Salonica factory did not comprise more than five or six steady members throughout its history, a low number compared to the number of British factors who made up the factories of Smyrna, Constantinople and Aleppo at certain periods.⁵⁴ That number rose suddenly between 1810 and 1820, when commercial agents and independent merchants arrived in Salonica from London and Malta to represent the interests of commercial houses engaged for the first time in trading through the port.⁵⁵ The annexation of the Ionian Islands to Britain in 1815 was another occasion that put under the protection of the British Consulate in Salonica a considerable number of people who originated from the Ionian Islands but declared that they were British subjects.⁵⁶ The same happened in Constantinople, Smyrna and Aleppo, thus suddenly changing the profile of British factories in these cities and causing operational difficulties. Freeman, factors and licensees gathered around the Salonica factory, as did non-members and foreigners, mostly Ottoman subjects of Greek, Jewish and Armenian origin, but also Italians, Dutch and Germans, who claimed and usually obtained British protection.⁵⁷ Some of them traded under the British flag, others were employed as interpreters and assistants in the service of the British Consul.⁵⁸

As was the case for all the Company's representations, the Salonica factory included a Chancellery which provided various bureaucratic

⁵³ See Despina Vlami, 'British trade', pp. 193-217.

⁵⁴ In 1661 the Smyrna factory counted 49 members, 36 in 1704, 6 in 1794, 8 in 1813 and up to 25 in 1821. The factory in Constantinople comprised around 25 members in the seventeenth century, 5 in 1794, 5-6 between 1806-1813, see A. Wood, *passim*. 50 factors settled in Aleppo in 1662 and only 2 in 1780, see R. Davis, *op.cit.* pp. 88-89.

⁵⁵ Despina Vlami, 'British trade', p. 174; Émilie Themopoulou, *Salonique, 1800-1875: Conjoncture économique et mouvement commercial*, (Thèse de Doctorat de l' Université de Paris I, V.1, Paris 1994), pp. 170-182.

⁵⁶ A. B. Cunningham, *op.cit.*, p. 196, footnote 91.

⁵⁷ P. M. Condoyiannis, 'The Protected', *Athina*, 29 (1917), pp. 1-160, (in Greek). Also E. Ingram, *op.cit.*, pp. 90-91.

⁵⁸ Despina Vlami, 'British trade', pp. 176-177.

services to British subjects. Comparing the list of fees charged to British subjects for the supply of these services with the similar one published by the Chancellery in Constantinople, the major difference between the two offices – the one operating at the heart of the Ottoman state, the other in a peripheral commercial port – in terms of the range and complexity of services necessary for the trade of their members becomes apparent. Fifteen services were provided to British subjects by the Chancellery in Salonica (including making the inventory of an estate, protesting a bill of exchange, procuratory or letter of attorney, issuing a passport and even providing a public crier for auction sales) and twenty-six by the Chancellery in Constantinople, some of which necessitated and others guaranteed the Ambassador's presence. The lack of uniformity in the type of services provided by the two offices, the majority of which resolved entrepreneurial or hereditary issues, reveals the absence of an official inventory of services and a fixed price-list that would apply to all factories, and confirms the divergence in the organisation of each factory.³⁹

Each factory had its own history, described in the long consular and other correspondence exchanged by its officials with the Company's administration. Consuls Olifer, Moore, Charnaud and Abbott, some of whose correspondence has survived, sent regular reports on the economic and political situation in Salonica and elsewhere to the Company in London. They sent accounts of incidents involving factors and members of the local British community, receipts of various payments, and "manifests", records of cargoes entering or departing from the port on British ships for which duties had been paid to the Consulate. The Company, usually through its secretary, kept consuls, treasurers and chancellors informed on all new provisions included in its by-laws, gave directions on specific issues that had been put to it, and gave lists of the new members admitted to the Company. Every time a political crisis or military events interrupted trade, causing serious problems to transactions and threatening the personal safety of factors, the volume of

³⁹ *Ibid.*, pp. 182-183.

letters exchanged increased, and the letters were full of accounts of events and confidential information.⁶⁰ Each situation arising for each factory required different handling and following up by officials in London and the factories; the Company's administration often had to take decisions ad hoc and, as it affirmed to the Consul General in Constantinople, Isaac Morier, in 1813, *'Our By Laws are merely General Rules for the Good Government of the Trade, and which we deem sufficient for that purpose, but the proper application of them ...must under extraordinary circumstances greatly depend upon the prudence and the management of our Consuls delegated to administer them'*.⁶¹

During the French Wars and later on, during the Greek Revolution, Francis Charnaud had to manage a situation that was complex and demanding from a political and diplomatic point of view: the interruption of trade, the hostility of the French community towards British subjects in Salonica, the fear of Napoleon's troops coming closer after the occupation of Italy, the difficult approach to Ottoman officials in order to obtain protection, all of which created conditions of insecurity and instability. On those occasions, Charnaud sent detailed accounts to London, together with unclassified information to which he had access through a network of the Company's officials and freemen who had settled or were travelling around the Mediterranean.⁶² During the same period – the second decade of the nineteenth century in particular – his performance was less efficient as far as management of the Consulate's entries was concerned.

4. Hidden Information and Action: towards a Post-contractual Opportunism

It has been maintained that one of the principal problems obstructing the organisation of early chartered companies and causing

⁶⁰ See also D. Goffman, *op.cit.*, pp. 137-142.

⁶¹ SP 105/123, p. 327-331, Company to Isaac Morier (Constantinople), London, 7 July 1813.

⁶² Despina Vlami, 'British Trade', pp. 190-192.

loss of profits was hidden action and information when officials and members chose to follow personal strategies, disregarding the Company's rules.⁶³ Hidden information and private trade that violated rules and did not comply with obligations were also the cause of serious agency problems faced by the Levant Company. Distance from the London headquarters, lack of regular communication and efficient control mechanisms, and the vocation of officials who, at the same time, were Freemen and merchants, aggravated the problem. A significant example of the situation that could arise is seen in the case of the British Consul in Salonica, Francis Charnaud. From the first weeks of his appointment, Charnaud had received from London very precise directions concerning the administration of the factory's finances. It was also pointed out that his principal duty was to keep the Company informed regularly and extensively on the factory's revenues, dispatching complete descriptive lists of duties and taxes paid by British ships and merchants, the already mentioned manifests.⁶⁴ Just like all his predecessors had done, Charnaud was also obliged to return to the Company a large percentage of the Consulate's imports. In the following years, as Charnaud did not comply with his duties systematically, the Company's observations continued and became more frequent, finally taking the form of communications of strong disapproval when the Consul started to neglect his duties regularly. Correspondence interrupted by war, espionage and robbery, together with a very complicated system of calculating duties and taxes to estimate the Consulate's entries made things even worse.⁶⁵ On many occasions the Company had to repeat severely that it would not accept any mismanagement of its revenues by factory officials. And yet the occasion of the "*great Trade carried through Salonica*", initiated according to Charnaud, in 1809⁶⁶ and concluded in 1815 when the end

⁶³ Ann M. Carlos and St. Nicholas, 'Giants', p. 406.

⁶⁴ Despina Vlami, 'British Trade', pp. 179-180.

⁶⁵ *Ibid.*, pp. 180-181.

⁶⁶ SP 105/134, f. 168r-169r: Consul Francis Charnaud to the Company (London), Salonica 9 May 1814; SP 105/134, f. 170r: Consul Francis Charnaud to Consul General Isaac Morier (Constantinople), Salonica, 9 May 1814.

of the French Wars restored pre-war conditions, confirmed any reservations the Company might have for its employee.

Having to control an unprecedented situation and administer a high turnover, Consul Charnaud's integrity and consistency were put to the test. Using his son's serious health condition as an excuse, Charnaud completely interrupted his correspondence with the Company in London for more than five years, and so did not dispatch any manifests nor any receipts or accounts of duties paid to the Consulate by British and foreign subjects. The case gave rise to agitation in the Company, and to an exchange of letters between the Company's Secretary, the Ambassador, the Consul General in Constantinople and Charnaud who was finally punished and suspended in 1814. Charnaud was required to pay the Company its share from the duties he had collected during all those years and, in the meantime, had to hand over the Consulate to his intermittent replacement, the British merchant Bartholomew Edward Abbott. The occasion – in Charnaud's own words – '*compromised his reputation*' in Salonica's merchant community.⁶⁷

The sheer rise of consular revenues in the first decades of the nineteenth century made the Company's control over the factories even stricter; however, matters that concerned the management of the Consulate entries were the object of stricter control rather than the performance and correctness of the Company's Freemen. And so, when various abuses of the 20% fine imposed on merchants trading independently took place in Salonica and Smyrna, the Company found

⁶⁷ SP 105/134, f. 164r: Consul General Isaac Morier to Bartholomew Edward Abbott (Salonica), Constantinople 27 April 1814. On the life and the activity of Bartholomew Edward Abbott see also Despina Vlami, 'British Entrepreneurship and Family Strategy in a Levantine Context: the Abbott of Salonica (18th-19th century)', *Transactions and Interactions. The Flow of Goods, Services and Information, European Business History Association Conference*, (Bergen 21-23 August 2008), pp. 1-21; Despina Vlami, 'Entrepreneurship and Relational Capital: Bartholomew Edward Abbott: the Father of the Levant Company' in Thessaloniki (eighteenth-nineteenth centuries)', *The Historical Review/La Revue Historique*, 6 (2009), pp. 129-164; Despina Vlami, 'Material Culture and the Domestic Environment of an English Merchant in the Ottoman Empire (eighteenth-nineteenth centuries)', *Mnimon*, 30 (2009), pp. 61-105 (in Greek).

out and fiercely disapproved the consuls' action.⁶⁸ In 1812 the Vice-Governor David Bosanquet informed Francis Werry, Consul at Smyrna, that '*...it was this day stated at a General Court of the Company that a Fine has been recently levied at Smyrna when a parcel of coffee belonging to Mess. Baring & Co landed from an English ship arriving there last from Malta and that it appeared to be the general sense of the Court that such proceeding was in direct opposition to the Company's Instructions repeatedly communicated to you....you will of course take measures for preventing the recurrence of such deviation ...and also proceed to the repayment of the Fine in question.*'⁶⁹

At the same time, open violations of specific provisions of the Company's by-Laws – in particular those that set out the rules for the Freeman's collaboration with foreign subjects – taking place during the same period were treated with surprising laxity and permissiveness.⁷⁰ The correspondence between Charnaud and the Company reveals a number of such incidents for the settlement of which the British Consul persistently solicited directions from the Company. In most cases, the Company decided not to get deeply involved in personal

⁶⁸ Despina Vlami, 'British Trade', pp. 200-202.

⁶⁹ SP 105/123, p. 288, Company to Consul Francis Werry Esq. (Smyrna), London 30 January 1812. Two months later, the secretary of the Company George Liddell wrote to Francis Charnaud '*A General Court of the Company, having under consideration various representations made to them of the hardships suffered by individuals engaged in the Trade from this country to Germany through Salonica in consequence of the fine of 20 per cent upon the amount thereof being demanded by you under the authority of the existing By Laws....you will therefore be pleased to regulate your proceedings accordingly – applying the rule to port transactions / especially to the care of the ship Whiting and Pelican/ as well as to future occurrences.*', SP 105/123 Company to Consul Francis Charnaud (Salonica), London 3 March 1812.

⁷⁰ According to Frangakis-Syrett already, from the seventeenth century, the Levant Company had to compete with black-market activities of members and non-members who dispatched commodities to foreigners who traded them for themselves. During war crises, such as the French Wars, both the French and the British found it convenient to suspend monopoly laws, see Elena Frangakis-Syrett, *op.cit.*, pp. 83, 91. In the eighteenth century many provisions that did not allow collaboration between British Freeman and Ottoman subjects were temporarily, and later irrevocably, suspended, *Ibid.* pp. 112-113.

differences that arose within the British merchant community, stating that its officials should not get involved in anyone's "personal business".⁷¹ George Frederic Abbott's "illegal" activities, exposed persistently by Francis Charnaud and disregarded steadily by the Company, were such an occasion.⁷² *'I found a Law suit between Mess. George Frederic Abbott & Co and one Teodoron Coidan, a member of the said establishment from the island of Zante, consequently under the British protection'* wrote Charnaud in 1815 and continued *'by the papers passed between them it is proved that this establishment is created by one Giovanni Gouta Caftangioglu, a Greek and an Ottoman subject, and ...no foreigner can be partner with an Englishman and carry on trade receiving goods from Smyrna coming from H. M. Dominions direct, for their own account. I have thought it my duty to acquaint You of it that I may know how to act'*.⁷³ Incidentally, George Frederic's father and partner was Bartholomew Edward Abbott, a powerful member of the British factory, considered by a contemporary traveller as "the father of the Levant Company" in Salonica.⁷⁴ Bartholomew Edward Abbott was also involved in independent activities and operations, usually in collaboration with his son; sometimes these operations had a strong taint of illegality; at other times they openly contravened the Levant Company's by-laws.⁷⁵ The Company's mild reaction to Charnaud's frequent notices on violations of the Company's "Instructions" by its Freemen and factors in Salonica

⁷¹ SP 105/124, pp. 157-159, Company to Consul Francis Charnaud (Salonica), London 3 July 1818.

⁷² Despina Vlami, 'The Abbott', pp. 12-18.

⁷³ SP 105/135, f. 178r-178v, Consul Francis Charnaud to the Company (London), Salonica, 5 May 1815.

⁷⁴ D. E. Clarke, *Travels in Various Countries of Europe, Asia and Africa, Part the Second, Greece, Egypt and the Holy Land*, Section the First, (London 1812), p. 364 ss. See also Despina Vlami, 'Relational Capital', pp. 129-164.

⁷⁵ In 1789 Consul Moore accused the commercial enterprise of Bartholomew Edward Abbott and Peter Chassecaud that they had tried to evade the payment of the 1% duty on the value of goods that had been exported by them *'on Foreign Ships to Foreign Ports on account of Foreigners'* in SP 105/121, pp. 255-256, Consul Moore to the Company (London), Salonica 11 January 1789.

show, more than anything else, its determination to tolerate, or at least understate, private trade and personal strategies. In 1816 the Secretary George Liddell made clear to Francis Charnaud '...with regard to partnerships formed by British Factors with Turkish and other Subjects you are not to interfere, as the Company possesses neither the right nor the inclination to regulate therein...'.⁷⁶ Obviously, this was a policy that served trade well but did not sustain the Company's corporate character.

5. Corporate Identity and Entrepreneurial Initiative

The long correspondence between Consuls Olifer, Moore, Charnaud and other officers in London, Constantinople, Smyrna and elsewhere, is full of references to situations that reveal the Company's everyday life, and therefore provide information of a private, delicate and sometimes confidential nature regarding personal relations, collaborations, family issues, conflicts and coalitions. This material proves powerfully the argument that the existence of individual centres of power, operating around influential personalities of social and economic status, can be identified, rather than one single Company network. These individuals often held positions of eminence in the Company's administration and influenced decisions taken by the General Court. Members of the Company of equal important social and economic standing, similar economic interests, and related by kin and sociability, assembled around these centres of power; in the Company's jargon they were often referred to as '*friends*' and '*friends of friends*' and they were always ready to use their name, their connections and their money to guarantee and assist the members belonging to their circle.⁷⁷ Often they

⁷⁶ SP 105/123, pp. 485-487, Company to Consul Francis Charnaud (Salonica), London, 16 February 1816.

⁷⁷ Leonora Davidoff - Catherine Hall, *Family Fortunes. Men and Women of the English Middle Class, 1780-1850*, Revised Edition, (London-New York 2002), p. 33 and in particular on friendship and business networks cf. pp 215-219. Also H. Perkin, *The Origins of Modern English Society 1780-1850*, (London 1969), pp. 49-50.

took sides supporting each other against other members of the Company or in front of the General Court.⁷⁸ This reality was not unrelated to the Company's procedure for selecting members. The aspiring Freemen had to be proposed by a number of active members who, as real '*friends*', would heartily support their candidacy.⁷⁹ In 1794 Charnaud received specific directions from the Company's officials in London on the procedure for admitting Bartholomew Edward Abbott to the '*Freedom of the Company*'. He was told that Abbott would be admitted as a member of the Company only '*on application of his friends here*'. During the same period, Charnaud's candidacy to succeed '*Mr Hayes, our late worthy consul at Smyrna*' had been proposed to the General Court by his friends but unfortunately '*.. the election fell upon Francis Werry Esq.*'.⁸⁰

Outside these groups of '*friends*' – groups that inevitably intersected and overlapped – friendship, trust and affiliation were not self-evident notions, just as collaboration and partnership were not uncomplicated practices. Private trade and the pursuit of profit led to great efforts, and therefore rivalry and competition, which were counter productive to the formation of a positive and strong corporate identity among the Company's members. The long disputes between Bartholomew Edward Abbott and Consuls Olifer and Moore, and then Abbott's rivalry with Consul Francis Charnaud, which was inherited by their respective sons George Frederic and James, offer a realistic picture of the interaction between Freemen, and between Freemen and officials.⁸¹ A similar picture is depicted by Daniel Goffman, too, when referring to the

⁷⁸ In fact, in 1814 Francis Charnaud was reinstated in his position through the intermediation of Mr Daubuz, one of his powerful '*friends*' inside the Company, see Despina Vlami, 'Trade', *op.cit.*, p. 207.

⁷⁹ The Company's exclusive character had been heavily criticized by its opponents since the beginning of its history. It was maintained that groups of upper-middle-class Londoners and their '*friends*' monopolised the Company's administration and promoted their personal or group interests. A. Wood, *op.cit.*, pp. 153-154.

⁸⁰ SP 105/121, p. 514-515, Company to Consul Charnaud (Salonica), London, 14 October 1794.

⁸¹ Despina Vlami, 'The Abbott', pp. 5-12; Despina Vlami, 'Relational Capital', pp. 153-155.

competitive and harsh dealings of the first Britons to settle in the Ottoman Empire.⁸²

Acting as real 'entrepreneurs', the Company's Freemen tried to figure out a unique and most successful 'configuration of contacts' that would ensure them the most profitable opportunities within pre-capitalist markets characterised by uncertainty and asymmetric information.⁸³ They thus chose a complex 'networking strategy' (joining organisations, acquiring public offices, getting to know, collaborate and socialise with the 'right' people who would be identified as '*friends*'), and developing overlapping and sometimes contradictory identities.⁸⁴ The Levant Company was one of the areas that provided them with such opportunities; the local society was another.

The relational capital for each Freeman comprised relations built on trust and solidarity, expectations of profit, common social and ethnic identity, family solidarity, collaboration and sociability, and were strengthened by a mechanism that reproduced and disseminated good confidence. This system of interaction functioned simultaneously with the system that had developed inside the institutional and contractual environment of the Levant Company and, very often, extended beyond the imaginary borders of the Company's networks. The odd situation created during the eight years' period, when no real contact or communication existed between the Salonica factory and the Company in London, showed that the control mechanisms of the Company were weak and inefficient; on the other hand it proved what the supporters of free trade strongly maintained: the optional – if not damaging – role of the Company which hindered, instead of promoting, commercial transactions and enterprise in the Levantine markets. The Manifests of that period sent to the Company by Charnaud with great delay present,

⁸² D. Goffman, 'The Britons', pp. 45-67.

⁸³ For a theory of entrepreneurship see M. Casson, *The Entrepreneur: an Economic Theory*, (Oxford 1982).

⁸⁴ M. Casson and A. Godley, 'Entrepreneurship and Historical Explanation', in Y. Cassis and Ioanna Pepelasis Minoglou (eds), *Entrepreneurship: Country Studies. A Historical Perspective*, (London 2006), pp. 12-13.

in fact, the real conditions of trade, characterised by a parallel development of economic relations and transactions and by the differentiation of roles.⁸⁵

At an individual level, evidence from the life and the activity of Bartholomew Edward Abbott offers a very interesting case of overlapping identities. Bartholomew and his son George Frederic Abbott belonged to business networks that comprised merchants and individuals from within and outside the local society.⁸⁶ These networks were based on reciprocal relations of interdependence. Credit, partnership, alliance, friendship, manipulation, kin ethnicity, trust and doubt moulded interdependence and a sense of identity. Participation in these groups presupposed the acknowledgment of certain common values and practices, and made collaboration necessary if the flow of trade between the merchants was to continue. On the other hand, when differences arose within a busy merchant community – disposing of Bartholomew Edward Abbott's patrimony according to his will was such an instance⁸⁷ – merchants of different nationality, ethnicity, social and economic status, rivals and friends were invited to assist in the settlement of the problem, to provide social services to guarantee their good reputation and dignity, to contribute to a resolution of conflicts and a quick resuming of business. This was a world of merchants in action, not the usual action of buying and selling in the central market, waiting for the arrival of cargoes in a busy port, packing and storing goods in warehouses or stockrooms in the back of mansions, negotiating prices with offices in London, Marseilles, Livorno, Malta and Smyrna. This kind of social action brought them together for their common good and

⁸⁵ For a very interesting analysis of the way entrepreneurial behaviour determines entrepreneurial organisation within a market see, S. Ioannides and Ioanna Pepelasis Minoglou, 'Diaspora Entrepreneurship between History and Theory', in Y. Cassis and Ioanna Pepelasis Minoglou (eds), *Entrepreneurship in Theory and History*, (London 2005), pp. 163-189.

⁸⁶ Despina Vlami, 'The Abbott', pp. 14-20; Despina Vlami, 'Relational Capital', pp. 145-151.

⁸⁷ *Ibid*, pp.137-144.

bound them into relations of interdependence and sociability developed within local society.

Abbott belonged to an institution which by itself constituted a formal but loose network of groups. Similar economic interests, common social origins, kinship relations and a growing sense of national pride were seemingly not enough to build a strong identity that would bind the Company's Freemen together and would diminish ambitions, antagonisms and opportunism. At the beginning of the nineteenth century, the Company's endorsement of the method of arbitration or of an informal and friendly settlement to resolve differences arising between factors was probably also an acknowledgement of the impossibility of combining a free strategy for flexible and profitable business with monopoly, a strong corporate identity with entrepreneurial initiatives. At the beginning of the nineteenth century, politics, warfare, economic theory and performance had apparently convinced some of the London-based officials of the Levant Company that relaxing control over the Freemen might cost in integrity and identity but would protect the Company's '*national character*' and '*public business*' more efficiently.⁸⁸ Interestingly, it was this same '*national character*' of trade and business that the Company's most convinced opponents argued would protect against a cartel of interests when they put all their effort and influence to bring about its final dissolution in 1825.

6. Conclusion

Among the various approaches to the history of the Levant Company and its factories, we can distinguish those that attempted – usually starting from a local perspective investigating the history of a factory – to analyse its operations and/or its corporate identity, working out the ways contractual relations operated within and outside the institutional

⁸⁸ SP 105/123, pp. 327-331, Company to Consul General Isaac Morier (Constantinople), London, 7 July 1813 and SP 105/124, pp. 208-211, Company to Consul Francis Charnaud (Salonica), London, 6 May 1819. Also SP 105/130, f. 164r-165r, Consul Francis Charnaud to the Company (London), Salonica, 3 January 1805.

shell of the organisation. In his study of the Aleppo factory, Ralph Davis separated the cloth trade – operated extensively in the area by Freemen and non-members – from the rest of the entrepreneurial and trade ventures operated in the Levant by the Company's members and then analysed extensively the barter method used by the Company to trade wool for silk.⁸⁹ Based on evidence referring to the organisation and the development of British commerce in Smyrna during the eighteenth century, Frangakis-Syrett tried a broader interpretation of the Levant Company's operation, distinguishing three levels of operators – Freemen, non-members, and Freemen and non-members acting as black marketers.⁹⁰ The division is interesting analytically, but does not, however, take into consideration the parameters of time, place and coincidence, thereby making it difficult to assess the model's validity and relevance to the operation of all different local representations of the Company. On the other hand, what bound together members and non-members in terms of entrepreneurial interaction and identity – in other words, an investigation of symbolic and/or operational channels connecting the three identified levels – is another issue that needs to be examined.

Using material referring to the operation of a single factory, the above paper opens the argument on the actual operation of the Company, bringing forth a number of issues. Rather than one single Company network, we can detect individual centres of power operating around influential personalities of considerable social and economic status: Freemen and officials of equal important social and economic standing, and similar economic interests that were related by kin and sociability assembled round these centres. The Freemen of the Company chose to pursue a complex strategy of networking with the right people, joining organisations and institutions and attaining public offices. This strategy enriched their relational capital, enlarged their circle of "friends" inside the Company and within the

⁸⁹ R. Davis, *op.cit.*, p. 96 et seq.

⁹⁰ Elena Frangakis-Syrett, *op.cit.*, pp. 82-83.

local society in which they operated, and allowed them to develop overlapping and sometimes contradictory identities. The diversity of local conditions and situations influencing each factory's profile and role, agency problems and the entrepreneurial tactics of the Freemen who tended to expand their strategic alliances and commitments, did not allow the development of a strong corporate identity. The gradual and/or coincidental laxity of the Company's control over officials and members who violated its rules shows, more than anything else, its determination to tolerate or minimise personal strategies, particularly in periods of crisis. It was also an acknowledgement of the impossibility of combining monopoly with free trade for flexible and profitable business, and a strong corporate identity with entrepreneurial initiative.

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