

# Metropolitan locales, global commerce, and East Indies capital and credit in the eighteenth century

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## Abstract

*Encompassing events from 1680 to the mid 1750s, this article examines the organization and adaptation to capital and credit crises of East Indies trade participants in two metropolitan locales – one whose core bounded the North and Baltic Seas, and the other centred around the South China Sea. It shows that in both locales commercial and governmental actors relied not only on state or company, but also on decentralized, port-based practices, institutions, and networks to solve problems and support a shared information culture. Thus, the rules of what I term ‘commercial commons’, rather than an imperial conflict, characterized many East Indies endeavours of this era. East India companies operated in multiple transnational, distributed, and port-based metropolitan locales for their access to capital and credit, and to police financial failure.*

**Keywords** bankruptcy, commercial commons, commodity leveraging, East Indies

## Introduction

The very names of Europe’s East India companies – the United Company of Merchants of England trading to the East Indies (BEIC), de Vereenigde Nederlandsche Geocroyeerde Oost-Indische Compagnie (VOC), and det Danske Ostindiske Compagni, to name the first three – evoke their close ties to their sponsoring states, to great cities such as London that housed their headquarters, and even to prominent civil society constituencies such as religious and mercantile lobbies who sought to influence them. Collectively termed the metropole, these entities and institutions configure the companies’ place in the public mind and current historiography as ‘national’ enterprises.<sup>1</sup> These names rightly emphasize important state and company contributions to East Indies trade infrastructure.

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1 For the British metropole, for example, see Philip J. Stern, *The company-state: corporate sovereignty and the early modern foundations of the British empire in India*, Oxford: Oxford University Press, 2011, esp. pp. 6, 10–14; Penelope Carson, *The East India Company and religion, 1698–1858*, Woodbridge: Boydell Press, 2012, esp. pp. 1–33; C. H. Phillips, *The East India Company, 1784–1835* (Manchester: Manchester University Press, 1961).

They can also obscure an important fact: East India companies evolved in and fulfilled their capital, credit, and personnel needs in a diffuse, transnational space lacking in stability.<sup>2</sup> This space encompassed all societies of the North and Baltic Seas zone at its heart, and its international actors fostered new ventures, but also credit crises and high-flying bankruptcies as they sought to serve individual as well as state and company interests. The storied VOC had no sound footing until at least a decade into its life and sprang from conflicts between rival investor consortia and insider trading whose scale would bring even today's bankers to blush.<sup>3</sup> With its uncertain beginnings and dependence on complex international – even globalized – credit and investment capital markets, the VOC was a harbinger.<sup>4</sup> During their founding eras more than a century later, the Austrian Netherlands' Oostendse Compagnie (c.1715; also known as the Compagnie d'Ostende and, from 1723, as the Generale Indische Compagnie or GIC), Sweden's Svenska Ostindiska Compagnie (1731; henceforth SOIC), and the Königlich-Preußische Asiatische Compagnie zu Emden auf Kanton in China (1750–51; henceforth KPAC) each confronted their own obstacles.<sup>5</sup> But speculative manoeuvres involving investment capital and credit remained constants. By the early eighteenth century, their intensifying transnational scope confirmed maritime northern Europe as the heartland of a distributed commercial space open to ever more participants and instability.<sup>6</sup>

To address the impact of transnational forces on company and state plans in the long eighteenth century, historians have scrutinized merchant networks. The imperial historian Holden Furber actually described Europe's East India companies as mere shells under whose legal guise traders (and investors) organized commercial ventures through their own transnational networks.<sup>7</sup> Since then, scholars of East Indies private trade have moderated Furber's position of institutional anarchy. They stress the companies' incorporation of private trade networks into their regular operations and institutional architecture.<sup>8</sup>

2 This article uses the word 'transnational' to indicate trans-state phenomena. Holden Furber, *Rival empires of trade in the Orient, 1600–1800*, Minneapolis, MN: University of Minnesota Press, 1976, pp. 221–6, offers an early transnational take on the European metropole.

3 J. G. van Dillen, Geoffrey Poitras, and Asha Majithia, 'Isaac Le Maire and the early trading in Dutch East India Company shares', in Geoffrey Poitras, ed., *Pioneers of financial economics*, Cheltenham: Edward Elgar Publishing House, 2006, vol. 1, *Contributions prior to Irving Fisher*, pp. 45–63; Henk den Heijer, *De geötrooieerde compagnie: de VOC en de WIC als interlopers van naamloze vennootschap (The chartered company: the VOC and the WIC as limited company interlopers)*, Deventer: Kluwer, 2005, pp. 34–45, 95–107.

4 Ann Goldgar, *Tulipmania: money, honor, and knowledge in the Dutch Golden Age*, Chicago, IL: University of Chicago Press, 2007, pp. 217–29; Den Heijer, *Geötrooieerde compagnie*, pp. 78–80.

5 See Georges-Henri Dumont, *L'épopée de la compagnie d'Ostende 1723–1727*, Brussels: Le Cri, 2000, pp. 18–28; Christian Koninckx, *The first and second charters of the Swedish East India Company (1731–1766): a contribution to the maritime, economic and social history of north-western Europe in its relationships with the Far East*, Kortrijk: Van Ghemert Publishing, 1980, pp. 39–55, 69–108; Florian Schui, 'Prussia's "trans-oceanic moment": the creation of the Prussian Asiatic Trade Company in 1750', *Historical Journal*, 49, 1, 2006, pp. 143–60. This article treats Denmark's Dansk Asiatick Compagni (henceforth DAC) and the Compagnie perpétuelle des Indes as restructurings of immediate, seventeenth-century-origin predecessors. See Ole Feldbæk, 'The Danish trading companies of the seventeenth and eighteenth centuries', *Scandinavian Economic History Review*, 34, 3, 1986, p. 208; Henry Weber, 'La compagnie françaises des Indes', PhD thesis, University of Paris, 1904, pp. 426–51.

6 See below for credit and capital's roles in the SOIC, GIC, and KPAC.

7 Furber, *Rival empires*, pp. 227–9.

8 Søren Mentz, *The English gentleman merchant at work: Madras and the city of London 1660–1740*, Copenhagen: Museum Tusulanum Press, 2005, pp. 19–21, 73–108, 129–32, 160–62; Chris Nierstrasz., *In the shadow of the company: the Dutch East India Company and its servants in the period of its decline (1741–1796)*, Leiden: Brill, 2012, pp. 79–87; Francesca Trivellato, *The familiarity of strangers: the Sephardic diaspora, Livorno, and cross-cultural trade in the early modern period*, New Haven, CT: Yale University Press, 2009, pp. 238–50.

But East Indies trade participants relied on ‘open-source’ commercial resources in and outside Europe to accomplish the collective tasks of obtaining capital and credit, and resolving bankruptcies. Accounting for this reality involves envisioning Europe’s ‘national’ metropolises as embedded in a single, transnational metropolitan space that interacted with freestanding metropolitan spaces across the Indian Ocean into the South China Sea c.1650–1760. The geographic concept of locale, in which norm-governed practices legitimately structured interactions across linked institutional milieux, captures this horizontality of East Indies trading spaces conceptually.<sup>9</sup> In East Indies trade, port communities of merchants and other commercial participants (for example, notaries or translators) interacted across middle seas such as the Bay of Bengal to structure what I call ‘metropolitan locales’ through their role, alongside local authorities, in determining and maintaining commercial norms.<sup>10</sup> Neither states nor companies could forbid competitors from accessing a metropolitan locale’s commercial resources; often they did not control or even sustain them. So metropolitan locales resembled Jeppe Mulich’s inter-imperial micro-regions, in which different combinations of company, state, and private actors could tackle problems together.<sup>11</sup> But within each metropolitan locale, customs and practices dictated that chiefly commercial actors provide capital and credit cooperatively through merchant-to-merchant agreements, even across embedded social structures such as trade diasporas.<sup>12</sup> Collectively comprising what I term a ‘commercial commons’, all comers typically had unfettered access to the means to raise capital and credit and clear market crises since shared local knowledge secured their agreements.

This article explores the impact of these vernacular economic practices on East Indies trade in the European and South China Sea metropolitan locales c.1680–1760.<sup>13</sup> I argue that East Indies trade participants in each of these freshly entangled but autonomous metropolitan locales relied on a commercial commons to acquire credit and capital and to resolve crises around their provision. With merchant-controlled practices of obligation drawing on appropriation of port-based urban law and flexibly configured information channels, these commons preceded, and sometimes superseded, state- or corporately defined institutions and sovereignty, projecting an alternative legitimacy that underwrote capital and credit for East Indies trade.

Typically, historians have seen East Indies commerce through the eyes of legacy companies and state authorities. By emphasizing state and company control over core East Indies economic architecture, however, historians have downplayed its fundamentally transnational quality.<sup>14</sup> Work revealing individual networks’ efforts to overcome or benefit from state and company monopoly has yielded glimpses of commercial commons. Yet framing these activities as unfolding between men on the make or across a shifting kaleidoscope of institutional and

9 For locale, see Anthony Giddens, *The constitution of society: outline of the theory of structuration*, Cambridge: Polity, 2013, pp. 118–98.

10 David Abulafia, ‘Introduction: what is the Mediterranean?’, in David Abulafia, ed., *The Mediterranean in history*, Los Angeles, CA: Getty Publications, 2003, p. 17.

11 Jeppe Mulich, ‘Micro-regionalism and intercolonial relations: the case of the Danish West Indies, 1730–1830’, *Journal of Global History*, 8, 1, 2013, pp. 74–7, 84–92.

12 To see how coalitions of networks – the building blocks of a commercial commons – did this, see Trivellato, *Familiarity of strangers*, pp. 153–69, 177–93, 238–50.

13 For vernacular economic practices, see Peter Pope, *Fish into wine: the Newfoundland Plantation in the seventeenth century*, Chapel Hill, NC: University of North Carolina Press, 2004, pp. 30–2.

14 Chris Nierstrasz, *Rivalry for trade in tea and textiles: the English and Dutch East India Companies (1700–1800)*, Basingstoke: Palgrave Macmillan, 2015, pp. 20–53, powerfully critiques the state of the field.

ethnic divides still overstates company and state control.<sup>15</sup> By contrast, this article demonstrates the dependence of East Indies commerce on cooperative commercial spaces.

## Mobilizing metropolitan locales

Ironically, state and East India company efforts to order historic pan-regional skill and resource imbalances in the North and Baltic Seas region, and resource complementarity between silver and commodities (particularly tea) across the South China Sea, helped catalyse the metropolitan locales featured here.<sup>16</sup> In Europe, companies and states tried to centralize recruitment of skilled mercantile labour, as well as the commodity, capital, and credit webs that that labour managed through the economically privileged port (such as the staple port) or the merchant guild.<sup>17</sup> Around the South China Sea, companies and states attempted to control maritime space across European/indigenous divides for public order as well as economic reasons. However, substantial needs for mercantile expertise resulted in two port-based metropolitan locales, each with its own commercial commons.

In Europe these human capital demands pushed companies and states to create maritime hubs whose financial and judicial institutions and mercantile elites cooperated with, and even served, ‘outsider’ merchants, creditors, and investors. The Spanish state’s concentration of mainly northern European merchants in Cadiz c.1650–1720 through trade licencing afforded access to American silver, European draperies, and Mediterranean goods across the entire European metropolitan locale.<sup>18</sup> Internationalized North Sea and Baltic Sea staple ports such as Ostend, and financial centres such as London, eased state barriers to resource, capital, and credit flows, relaxing constraints on *all* East India concerns.<sup>19</sup> Inhabitants and judicial institutions in ports across this commercial commons managed those flows.

Around the South China Sea, Dutch cessation of ‘gunboat commerce’ along the South China coast and Qing commercial overtures from Canton enabled independent Batavia and Canton/Macau mercantile coalitions to push for a metropolitan locale and commercial

15 Cátia Antunes and Amélia Polónia, ‘Introduction’, in Cátia Antunes and Amélia Polónia, eds., *Beyond empires: global, self-organizing, cross-imperial networks*, Leiden: Brill, 2016, pp. 1–11. Cf. Trivellato, *Familiarity of strangers*.

16 Nils Hybel, ‘The grain trade in northern Europe before 1350’, *Economic History Review*, n.s. 55, 2, 2002, pp. 219–47; Robert K. Bartlett, *The making of Europe: conquest, colonization, and cultural change, 950–1350*, Princeton, NJ: Princeton University Press, 1994, pp. 167–82, 191–6; Milja van Tielhof, *The ‘mother of all trades’: the Baltic grain trade in Amsterdam from the late sixteenth to the early nineteenth century*, Leiden: Brill, 2002; Dennis O. Flynn and Arturo Giráldez, ‘Cycles: global economic unity through the mid-eighteenth century’, *Journal of World History*, 13, 2, 2002, pp. 407–11.

17 On merchant guilds and privileged ports, see below.

18 Jonathan I. Israel, *Empires and entrepôts: the Dutch, the Spanish monarchy and the Jews, 1585–1713*, London: Hambledon Press, 1990), esp. pp. 394–6, 435–6, 440–3; Henry Kamen, *Spain in the later seventeenth century, 1665–1700*, London: Longman Group Ltd., 1983, pp. 116–19, 131–40; Klaus Weber, *Deutsche Kaufleute im Atlantikhandel 1680–1830: Unternehmen und Familien in Hamburg, Cádiz und Bordeaux*, Munich: C.H. Beck Verlag, 2004, pp. 87–111; Flynn and Giráldez, ‘Cycles’, pp. 403–11; Trivellato, *Familiarity of strangers*, pp. 5–6.

19 This argument builds on ideas in Klas Rönnbäck, ‘New and old peripheries: Britain, the Baltic, and the Americas in the great divergence’, *Journal of Global History*, 5, 3, 2010, pp. 378–86. Cf. Kenneth Pomeranz, *The great divergence: China, Europe, and the making of the modern world economy*, Princeton, NJ: Princeton University Press, 2000, pp. 211–51, 253–60, 261–74. For London and Ostend, see Bruce G. Carruthers, *City of capital: politics and markets in the English financial revolution*, Princeton, NJ: Princeton University Press, 1996, pp. 137–9, 146–51; Michael-W. Serruys, ‘Oostende en de Generale Indische Compagnie (Ostend and the Generale Indische Compagnie)’, *Tijdschrift voor Zeegeschiedenis (Journal of Maritime History)*, 24, 2005, p. 43.

commons c.1680–95.<sup>20</sup> Only Macau and Batavia shared institutional kinship with European practices.<sup>21</sup> In all three ports, though, governing authorities' efforts to attract skilled mercantile migrants and to promote capital, credit, and commodity flows played into merchants' hands.<sup>22</sup> Precisely how they and their counterparts in Europe repurposed company and state agendas to tailor metropolitan space to their own commercial purposes is the focus of the remainder of this article.

## Commodity leveraging and the South China Sea metropolitan locale, c.1680–1760

Scholarship has established that, as Kerry Ward puts it, East Indies concerns operating outside of Europe had perforce to fit 'into a regional grid of ancient and vibrant cultural, religious, and trading networks that had long eluded the domination of any one merchant enterprise, polity or empire'.<sup>23</sup> The sociological impact of their dependence on workable credit and capital operations abroad, however, has received less emphasis in the literature. Yet, insistent need for such services encouraged interactions between local merchants, independent traders (of European or non-European origin), and East India company personnel, enabling so-called private trade that benefited most from systematic evasion or co-optation of East India company and indigenous authorities. Far from just an interesting sideshow, private trade constituted *the* show that motivated everyone involved to carry on the supposedly legal trade.<sup>24</sup> Around the South China Sea it consolidated a metropolitan locale with its own commercial commons, c.1680–1760.

Officially, indigenous authorities and East India companies established keystone ports as sites for regulated exchange to maintain public order or ensure monopoly returns on investment in the transnational but managed market space that emerged. Those ports with the best connections to the most lucrative East Indies commodities – Canton, Macau, and Batavia between 1680 and 1750 – stood at the heart of this system.<sup>25</sup> However, intensifying the accumulation of profitable commodities in these ports demanded credit and capital. But Qing

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- 20 Weichung Cheng, *War, trade and piracy in the China Seas (1622–1683)*, Leiden: Brill, 2013, pp. 24, 33–4, 45–6, 57–8, 66–71, 76, 80–100; Weng Eang Cheong, *The hong merchants of Canton: Chinese merchants in Sino-Western trade*, Richmond, Surrey: Curzon Press, 1997, pp. 26–35; On the mercantile coalitions, see the section 'Institutionalizing capital, credit, and information culture in the South China Sea metropolitan locale, c.1670–1750' below.
- 21 Leonard Blussé, *Strange company: Chinese settlers, mestizo women and the Dutch in Batavia*, Dordrecht: Foris Publications, 1986, pp. 73–5, 77–84; George Bryan Souza, *The survival of empire: Portuguese trade and society in China and the South China Sea 1630–1754*, Cambridge: Cambridge University Press, 2004, pp. 20–9.
- 22 For details, see the next two sections. On the ports' recruiting and managing of mercantile labour, see esp. Blussé, *Strange company*, p. 77–80; Paul A. van Dyke, *The Canton trade: life and enterprise on the China Coast, 1700–1845*, Hong Kong: Hong Kong University Press, 2007, pp. 5–18; Cheong, *Hong merchants*, pp. 29–33; Souza, *Survival of empire*, p. 20.
- 23 Kerry Ward, *Networks of empire: forced migration in the Dutch East India Company*, Cambridge: Cambridge University Press, 2009, p. 6.
- 24 Furber, *Rival empires*, pp. 227–9, 307–9, 314–18; Nierstrasz., *In the shadow*, pp. 13–14, 21–3, 27–30; Mentz, *English gentleman merchant*, pp. 15–16, 19–40, 109–16, 154–7, 159–213. Cf. Sanjay Subramanyam, *The political economy of commerce: southern India, 1500–1650*, Cambridge: Cambridge University Press, 2002, pp. 252–97.
- 25 For these ports' commodity access, see Paul A. van Dyke, *Merchants of Canton and Macao: politics and strategies in eighteenth-century Canton*, Hong Kong: HKU Press, 2011, pp. 7–8, 14–16; Blussé, *Strange company*, pp. 74, 83; Jean Gelman Taylor, *The social world of Batavia: European and Eurasian in Dutch Asia*, 2nd edn, Madison, WI: University of Wisconsin Press, 2009, p. 11. On their centrality to East Indies commerce c.1680–1750, see Cheong, *Hong merchants*, pp. 251–2; Souza, *Survival of empire*, pp. 63–86;

authorities forbade a public, finance-based market in credit and capital in Canton and Macau, and major companies did not want their employees filling the gap with credit or specie.<sup>26</sup> Similarly, in Batavia, legal private trade had to rely on limited capital and credit from Chinese merchant networks.<sup>27</sup> To attract additional funds, merchants used silver flows towards Asia and outward flows of silk, teas, porcelain, and spices to refashion Canton, Macau, and Batavia capital and credit markets as a commercial commons around the commodities in which they dealt.<sup>28</sup>

Colin Campbell, who was active in the British country trade between South Asia and Canton in the 1720s, as well as in the Company trade and the European metropolitan locale as a supercargo and director of the SOIC from the 1730s, hinted that insider partnerships' role in valuing commodities proved central to these emerging credit and capital markets.<sup>29</sup> In his well-known *Diary*, he makes clear that everyone pursued private trade while carrying on company business.<sup>30</sup> But while some sought open contracts in doing so, others fashioned theirs secretly to realize capital for private trade. Campbell contrasted company traders who, for a consideration, 'could be impos'd upon ... either in the price or in the Quality of the Goods' they purchased for their company with those who 'stood up ... for the Interest of their owners'.<sup>31</sup> Nor did his views differ substantively from those of others.<sup>32</sup> Such accounts quickly lead to presuming that inefficiencies plagued Canton's marketplace. Campbell certainly thought so.<sup>33</sup>

By not insisting, as Campbell did, on a particular way to obtain capital and credit, however, it is easier to see that commodity-leveraged capital and credit provision animated this commercial commons.<sup>34</sup> Then what appears to be a messy, disruptive, and at times mutually exploitative competition, involving East India companies, indigenous authorities and traders, and unattached private traders, reveals itself as something else entirely. In this world, private trade motivated most actors (including Campbell) to raise the credit and capital needed for private and Company trade cooperatively, relying on the valuing of, and access to, commodities as their trust-building medium. In other words, Campbell's critique concerned settled commercial practices in Canton and Macau, which was also the view of Chinese merchants in Canton who regularly

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Ota Atsushi, *Changes of regime and social dynamics in West Java: society, state and the outer world of Banten, 1750–1830*, Leiden: Brill, 2006, pp. 117–24.

26 Frederic Delano Grant, 'The Chinese cornerstone of modern banking: the Canton guaranty system and origins of bank deposit insurance, 1780–1933', PhD thesis, University of Leiden, 2012, pp. 26–30; van Dyke, *Canton trade*, pp. 150–1.

27 Blussé, *Strange company*, p. 83.

28 For general remarks on key dynamics, see Robert I. Hellyer, *Defining engagement: Japan and global contexts, 1640–1868*, Cambridge, MA: Harvard University Press, 2009, pp. 79–83; Flynn and Giráldez, 'Cycles', pp. 396–420.

29 Paul Hallberg and Christian Koninckx, eds., *A passage to China: Colin Campbell's diary of the first Swedish East India Company expedition to Canton, 1732–33*, Gothenburg: Royal Society of Arts and Sciences in Gothenburg, 1996, pp. xxi–xxii.

30 *Ibid.*, pp. 99–102, 107–9, 111–15, 123–4, 129–30, 133–4, 141.

31 *Ibid.*, pp. 99, 110.

32 Conrad Gill, *Merchants and mariners of the 18th century*, London: Edward Arnold, 1961, pp. 111–14.

33 Hallberg and Koninckx, *Passage to China*, pp. 98–102. See also Cheong, *Hong merchants*, pp. 246–8, 251–7, 261–2, who argues that Canton needed better auditing and securitizing of debts.

34 Commodity leveraging occurs where market actors cannot adequately securitize debt. Key commodities then become the trust-building medium attracting the capital and credit needed for transactions. In the South China Sea metropolitan locale, the relative value of East Indies trade goods and lack of public credit and capital markets created this situation, but commodity leveraging arose in other cases. For example, in the credit system of the fur-trading companies, furs became the trust-building medium. See Toby Morantz, "'So evil a practice': a look at the debt system in the James Bay fur trade", in Rosemary E. Ommer, ed., *Merchant credit and labour strategies in historical perspective*, Fredericton, New Brunswick: Acadiensis Press, 1990, pp. 205–9.

used commodity leveraging to free up profit, capital, or credit.<sup>35</sup> Deals could go wrong, but most merchants accepted an array of commodity-leveraging practices in the commercial commons without fuss.

## Institutionalizing capital, credit, and information culture in the South China Sea metropolitan locale, c.1670–1750

As credit and capital provision in Batavia, Canton, and Macau show, this commodity-leveraged commercial commons grafted itself onto distinct regulatory frameworks. In Canton and Macau both Qing officialdom and East India company directorates viewed company merchants as agents of their will, whose duty was to produce tax revenue or profit respectively. But since the merchants involved derived these gains from trade, those in authority had to grant a certain autonomy to them and to Qing regulatory officials in Canton and Macau.<sup>36</sup> With that autonomy, and with help from private merchants, they built a shadow market in credit and capital.<sup>37</sup>

Paul A. van Dyke, George Bernard Souza, and others have reconstructed the core mechanisms of Canton and Macau's robust capital and credit market. Reading their collective findings through the lens of commodity leveraging reveals three market segments, each engaged in varying degrees with private and official trade and interconnecting imbricated trade diasporas.<sup>38</sup> In line with Colin Campbell's observations, one set of strategies relied on picking the pockets of metropolitan investors and company elites. Hong merchants (often Fujianese) and East India company personnel made spot deals to extract capital by inflating commodity prices or altering commodity quality. Alternatively, company personnel could import silver illicitly from a European-based investment syndicate to realize short-term profits by oversupplying the market with investment capital.<sup>39</sup>

Another set of strategies depended on commodities or access to them as collateral for credit or capital. To cover ongoing expenses, hong merchants regularly asked for advances of credit or capital for goods to be delivered in a future trading season if they had a good relationship with a European 'Company' buyer. Canton and Macau's 'country traders' (a combination of East India company personnel moonlighting in private capacity and unaffiliated or loosely affiliated private traders such as Armenians or Portuguese) also acted as investors and creditors in this market segment, as did hong merchants by making loans in cash or by allowing payment for goods to extend over multiple trading seasons.<sup>40</sup> Finally, bottomry loans used ships'

35 Van Dyke, *Merchants*, pp. 16–21, 38–44, 57–61. Van Dyke does not refer to commodity leveraging, but he acknowledges its legitimacy, as did the hong merchants he studies.

36 Grant, 'Chinese cornerstone', pp. 26–30; Cheong, *Hong merchants*, pp. 26–37, 128–31; van Dyke, *Canton trade*, pp. 150–1; van Dyke, *Merchants*, pp. 7–10.

37 Van Dyke, *Merchants*, pp. 31–3.

38 In discussing these findings in this and the next paragraph, I rely chiefly on Cheong, *Hong merchants*; van Dyke, *Merchants*; van Dyke, *Canton trade*; and Souza, *Survival of empire*.

39 Van Dyke, *Merchants*, p. 80; van Dyke, *Canton trade*, p. 150; Karel Degryse and Jan Parmentier, 'Kooplieden en kapiteins: een prosopografische studie van de kooplieden, supercargoes en scheepsofficieren van de Oostendse handel op Oost-Indië en Guinea (1716–1732) (Merchants and captains: a prosopographical study of the merchants, supercargoes and ships' officers of the Ostend trade to the East Indies and Guinea (1716–1732))', in Christian Koninckx, *Vlamingen oversee/Flamands en outré-mer/Flemings overseas*, Brussels: Wetenschappelijk Comité voor Maritieme Geschiedenis/Koninklijke Academie voor Wetenschappen, Letteren en Schone Kunsten van België, 1995, p. 186; Gill, *Merchants*, pp. 111–16.

40 Cheong, *Hong merchants*, pp. 254–5; van Dyke, *Merchants*, pp. 16–21, 50–1; van Dyke, *Canton trade*, pp. 154–9; Souza, *Survival of empire*, pp. 128–32, 172–3, 184–6, 194–5, 197–8, 200, 205–6.

cargoes as collateral for credit and capital from private individuals and institutional sources such as the Portuguese Santa Casa da Misericórdia in Macau.<sup>41</sup>

The responses to regulations around hong merchants that built credit and capital markets in Canton and Macau had analogues in and links to the Dutch-governed enclave of Batavia, which was fed by a dual trade diaspora from China and Europe.<sup>42</sup> However, weaving together the results of Leonard Blussé, Jean Taylor Gelman, and Chris Nierstrasz. shows that Batavia's spin on commodity-leveraged credit and capital arose from reactions to European suppliers of regional commodities. Theoretically, Batavia served as the VOC's East Indies staple port. Benefiting from the VOC's claimed monopoly of trade in all areas where it was active, it sought to become a catchment basin for products from the company's many 'tributary' settlements.<sup>43</sup> One eighteenth-century East Indies observer claimed that its reach stretched from Japan to the Malabar Coast.<sup>44</sup> Turning Batavia into a watershed for East Indies wares required the exclusion of VOC employees and former employees (the so-called *vrijburgers*) from trading directly in key East Indies commodities, however.<sup>45</sup> But Batavia could not serve its staple port function without country traders giving it access to markets where the VOC had no presence. Likewise, those traders could not operate on a sufficient scale without commensurate capital and credit.

In the face of these hard realities and VOC employees' and *vrijburgers*' desire to partake in the East Indies trade, a marriage of convenience arose that fostered commodity-leveraged capital and credit provision in Batavia.<sup>46</sup> I would argue that the VOC effectively created its own country traders, first forcing and then attracting Chinese merchants to Batavia, and later adding Dutch and Portuguese country traders to their ranks to form a kind of direct trade with Canton.<sup>47</sup> Collectively, these trading networks formed a conduit to the commodities of the Indonesian archipelago and the rest of Southeast Asia, to Canton, and to places beyond, making Batavia the envy of many a rival European East Indies company official for a time. The presence of Chinese merchants in Batavia also attracted Chinese merchants from Amoy and its environs and from Canton.<sup>48</sup> The commercial ventures of these Chinese country traders also provided both VOC employees and *vrijburgers* with irresistible opportunities for profits through the provision of investment capital and credit, VOC strictures notwithstanding. Until at least 1740 the VOC's more well-heeled officials freely – albeit illegally – lent to and invested in the Chinese junk trade, earning profits of up to 50%. Meanwhile, as ties to Canton intensified in the 1680s, the much-maligned *vrijburgers* became moneylenders to the Chinese tea merchants and likely to others.<sup>49</sup> Even attempts to modify the system after 1740 acknowledged the central role of commodities in credit and capital provision.<sup>50</sup>

41 Van Dyke, *Canton trade*, pp. 151–4; Souza, *Survival of empire*, pp. 20–2, 25–9, 173, 184–93.

42 My characterization of Batavia as a dual enclave relies on Blussé, *Strange company*, pp. 74, 80–4; Taylor, *Social world*, pp. 4–11; Antunes and Polónia, 'Introduction', p. 1.

43 Blussé, *Strange company*, pp. 73–4.

44 Alexander Hamilton, *A new account of the East Indies*, vol. 2, Edinburgh: John Mosman, 1727, pp. 77–82, 89–93, 119–22, 128–44, 149–50, 158–9, 208–11, 296–7, 302–5, 308–9.

45 Blussé, *Strange company*, pp. 74, 83; Taylor, *Social world*, pp. 6, 9–11.

46 Blussé, *Strange company*, p. 83; Taylor, *Social world*, pp. 5, 9–11.

47 Blussé, *Strange company*, pp. 80, 125–7; Cheng, *War*, pp. 24, 33–4, 45–6, 57–8, 66–71, 76, 80–100; Nierstrasz., *Rivalry*, pp. 74–81; Souza, *Survival of empire*, pp. 128–56. Based on their role, I describe the Chinese as country traders, enabling a comparison of Batavia with Canton and Macau and other parts of Asia involved with East India companies. See, e.g., South Asian traders' interactions with British country traders, as described in Mentz, *English gentleman merchant*, pp. 33–8.

48 Blussé, *Strange company*, pp. 80, 129–30; Souza, *Survival of empire*, pp. 128–56; Cheng, *War*, pp. 51–5, 57–8, 71, 91–5, 105.

49 Blussé, *Strange company*, pp. 83, 126, 136–7; Taylor, *Social world*, p. 11.

50 Blussé, *Strange company*, pp. 94–96, 140–53; Leonard Blussé, 'One hundred weddings and many more funerals a year: Chinese civil society in Batavia at the end of the eighteenth century', in Leonard Blussé and



Unquestionably, official permissiveness towards commodity-leveraged credit and capital in Canton/Macau and Batavia benefited companies and states. But as port hierarchies the authorities did more than connive at 'illegal' trade.<sup>51</sup> They treated it as ordinary commerce through an information culture of petition that connected the commercial commons to the metropolitan locale, as petitioning practices in Canton and Batavia demonstrate.

In Batavia petitions shaping the metropolitan locale concerned VOC administration of trade. From the start, both the Chinese community and *vrijburger* elements sought to influence VOC trading policy regarding their privileges and the port's strategic positioning.<sup>52</sup> The year 1693 offers a particularly striking example of petitioning's effectiveness. In that year the Heeren XVII sought to impose stiff fees on VOC personnel bringing home tea. Petitions from the captain and lieutenant of the Chinese enclave, the *nachodas* (shipmasters of the Chinese junks), and Batavia's Chinese tea merchants convinced the directorate to forego them and agree that Chinese junks and the port's Chinese enclave would serve as Batavia's commercial link to Canton.<sup>53</sup> Petitioners' voices also had a number of representative bodies and offices to address everyday activities in the commercial commons. These ranged from the captain and lieutenant of the Chinese community to the municipal court system (the College van Schepenen, the primary municipal court, and the Commissarissen van Huwelyze en Kleene Zaaken, Batavia's lower judicial instance), with both groups collaborating in the College van Boedelmeesters (the municipal board administering estates) to resolve problems over inheritance and debt.<sup>54</sup> Mediation in this last body may have received a boost around 1671, when the two communities ceased sharing seats on the College van Schepenen.<sup>55</sup>

To frame Canton's petitioning, the Qing authorities tapped into, but hardly controlled, a Qin dynasty practice of guaranteeing public order through collective responsibility.<sup>56</sup> By the 1720s Qing policy required a hong merchant to assume responsibility for each foreign merchant ship's merchants and crew, a position eventually called a *baoshangren* (security merchant).<sup>57</sup> Petitioning happened in three ways. First, foreign ships arriving each trading season negotiated terms of trade. This could entail tough bargaining with officials such as the *fuyuan* (governor (of Guangdong)), the *hubu* or Hoppo (chief customs officer) and the *zongdu* (governor-general), which men such as Colin Campbell criticized despite its regularity.<sup>58</sup> Then, merchants could adjust the trading regime via memorials to or audiences with chief officials. In 1723, for example, the BEIC's London and country ships, the GIC's ships, and an Armenian trader jointly petitioned the *zongdu* and *fuyuan*

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Chen Menghong, eds., *The archives of the Kong koan of Batavia*, Leiden: Brill, 2003, pp. 14–16; Nierstrasz, *In the shadow*, pp. 79–87.

51 Van Dyke, *Merchants*, pp. 24–8; Blussé, *Strange company*, pp. 140–51.

52 Blussé, *Strange company*, pp. 83, 105; Taylor, *Social world*, p. 10.

53 Blussé, *Strange company*, pp. 123–6, 141–2.

54 *Ibid.*, pp. 81–3, 125; Taylor, *Social world*, p. 10; *Realia: register op de generale resolutiën van het kasteel Batavia. 1632–1805 (Realia: register to the general resolutions of Batavia Castle. 1632–1805)*, vol. 1, *Aanbestedingen tot en met hijpothequen ('aanbestedingen [tenders put out]' to 'hijpothequen [mortgages])*, Leiden: G. Kolff, 1882, p. 306.

55 Johan Nieuhof, *Joan Nieuhofs Zee en Lant-Reize door verscheide Gewesten van OOSTINDIEN... (Joan Nieuhof's sea and land journey through several regions of the East Indies...)*, Amsterdam: Jacob van Meurs, 1682, p. 219; Blussé, *Strange company*, p. 81, states that Chinese representation on the College van Schepenen ended in 1666.

56 Grant, 'Chinese cornerstone', pp. 30–4.

57 Van Dyke, *Canton trade*, p. 11; thanks to my colleague Wensheng Wang for help with the term *baoshangren*.

58 Van Dyke, *Canton trade*, pp. 10–13; van Dyke, *Merchants*, pp. 81–2, 525–6; ; Grant, 'Chinese cornerstone', p. 28; Hallberg and Koninckx, *Passage to China*, p. 110; Hosea Ballou Morse, *The chronicles of the East India Company Trading to China, 1635–1834*, vol. 1, Cambridge, MA: Harvard University Press, 1929, pp. 154–9, 175, 177, 181–2, 189–92, 194–7.

for amendment of Canton trading policy.<sup>59</sup> This petitioning also demanded that foreign merchants observe mutual responsibility by using Chinese intermediaries.<sup>60</sup> Finally, foreign merchants in a dispute with a Chinese merchant could petition for an investigative committee with dispute-resolution and policy-making powers.<sup>61</sup> For their part, the *baoshangren* and the official translator could put pressure on a merchant seeking to wind up his transactions by blocking his efforts to obtain the Hoppo's authorization to depart. These disputes over individual transactions resembled the business that Batavia's College van Boedelmeesters handled.<sup>62</sup>

## The South China Sea metropolitan locale in practice, c.1710–1760

Credit and capital crises in this system concerned perceived unfair commodity-leveraging arrangements, not necessarily impecuniousness. Even massive bankruptcies in Canton and Macau, such as that of Beaukeequa (Chinese name Li Guanghua) in 1758, only prompted Qing authorities to permit major merchant houses to broker a new mutual security pact to protect one another and the marketplace.<sup>63</sup> Similarly, in Batavia, most VOC resolutions concerning Batavia's courts involved the port's Chinese and European inhabitants mediating inheritance-related agreements through the College van Boedelmeesters with the same intent as the 1758 resolution of Beaukeequa's affairs.<sup>64</sup> When disagreement on the politically engineered arrangements led to crisis, the story of the hong merchant Tan Hunqua (Chinese name Chen Fangguan) suggests that injured parties desired to rearrange norms governing relationships between institutional and private actors.<sup>65</sup> Specifically, Tan Hunqua wanted to incorporate East India company directorates as petitioners and active market auditors in the commercial commons, acting with hong partners to counterbalance Qing officials within a more levelled, yet still locally inflected imperial legal framework.<sup>66</sup>

Tan Hunqua's tale begins with the chief supercargo of the 1729 BEIC voyage, one William Fazakerly (also spelled Fazakkerley). Fazakerly allegedly engaged in commodity-leveraged capital acquisition with the merchant Tan Suqua (Chinese name Chen Shouguan).<sup>67</sup> According to the second, detailed complaint brought by Tan Hunqua and his partner, Chinqua, on the matter, this deal first involved Tan Hunqua when Fazakerly and three of his fellow BEIC supercargoes (Waldo Du Bois, John Tucker, and Henry Talbot) asked him to claim falsely that he had sold them Bohea and green tea for 30% and 26.3% over the actual sale price. Fazakerly and the others claimed to have obtained a similar deal from those who had sold them porcelain and also wanted Tan Hunqua to sell them piece goods (textiles) at a lower price than they wanted recorded.<sup>68</sup>

59 Morse, *Chronicles*, pp. 177–8.

60 Hallberg and Koninckx, *Passage to China*, pp. 110, 117–22, 136–41, 144–6.

61 Van Dyke, *Merchants*, pp. 32–4.

62 Hallberg and Koninckx, *Passage to China*, pp. 109, 1245, 156–9; van Dyke, *Merchants*, p. 81.

63 Van Dyke, *Merchants*, pp. 54–5, 529.

64 *Realia*, pp. 157–67.

65 Van Dyke, *Merchants*, p. 538.

66 Cf. van Dyke, p. 114.

67 Fazakerly is listed as such in The National Archives, Kew, UK (henceforth TNA), IOR/G/12/28, Diary and consultations of the Council in China for 1729 (n.d.), 6 Dec 1728–17 May 1730, at Canton June 1729–January 1730. Tan Suqua and his Chinese names are in van Dyke, *Merchants*, p. 79.

68 British Library (henceforth BL), IOR/B/61, court minutes of the East India Company 1730–32, Tan Hunqua and Tan Chinqua, memorial to the Court of Directors of the BEIC, 31 December 1729, as quoted in van Dyke, *Merchants*, pp. 105–6. I use the term 'memorial' to capture the communication's formality.

Deals like this happened often enough in the commercial commons, so why Tan Hunqua's objection? Paul van Dyke's suggestion that Tan Hunqua wanted a more open, fair and regulated market in Canton provides part of the answer.<sup>69</sup> True, financial losses partially explain his discontent. Refused by Tan Hunqua, Fazakerly and his fellow supercargoes bought instead from Tan Suqua, leaving Tan Hunqua with considerable unsold tea.<sup>70</sup> But according to Colin Campbell and the records Paul van Dyke has highlighted, Tan Hunqua penned the letter or memorial to which I have just referred *after* submitting an earlier complaint and writing the VOC's directors.<sup>71</sup> This effort went beyond revenge.<sup>72</sup>

If Tan Hunqua wanted to change Canton's marketplace, it seems worth asking whether, as Paul van Dyke suggests, he acted alone and against local norms. According to H. B. Morse, Tan Hunqua had taken part in an alliance of Canton merchants that had been agitating against increases in import and export duties since 1728. He even endured twelve days' house arrest for the cause from 24 September to 5 October, after which his fellow merchants, including Tan Suqua, effected his release. All agreed in opposing the efforts of the then *zongdu*, who was also serving as temporary Hoppo and *fuyuan*, to regularize a 10% tax on exports and imports.<sup>73</sup> Some merchants, however, such as Tan Suqua and his partner, Cudgin, preferred, if possible, to cut deals and accept the authority of Qing officialdom. On 12 August 1728 they had already offered to pay the 10% tax in exchange for receiving half of the BEIC London ships' business, desiring Tan Hunqua and his partner take on the remainder. But this was not their only inclination.<sup>74</sup> So mercantile solidarity had perhaps frayed by 1729. However, when Tan Hunqua heard about Tan Suqua taking Fazakerly's deal, allegedly colluding with the Hoppo Zu Binggui to do so, he probably judged that Tan Suqua had overtly abandoned the greater joint cause of opposing arbitrary Qing officials.<sup>75</sup>

The witnesses to Tan Hunqua and Chinqua's memorials suggest that the two men had support for their desired reforms among European merchants as well. Their first, shorter memorial of 22 November 1729 bears the signatures of Abraham Wessell (a BEIC supercargo), Reginald Kemeys (a BEIC captain), and one Richard Dyer as witnesses for 1 December 1729. Edward Elliston (another BEIC captain) and, intriguingly, William Fazakerly witnessed the same memorial on 29 December 1729.<sup>76</sup> Tan Hunqua and his partner apparently had few qualms about informing Fazakerly of their first complaint, and little compunction in penning a second, more damning one, bearing only Wessell's, Dyer's, and Elliston's signatures.<sup>77</sup> The professional identity of these trusted signatories, at least two of whom had strong BEIC ties, reveals Tan Hunqua's plan to use BEIC ties to challenge Fazakerly.

69 Van Dyke, *Merchants*, pp. 111–12, 113–14. Cf. Cheong, *Hong merchants*, pp. 137–8.

70 Van Dyke, *Merchants*, p. 105; Hallberg and Koninckx, *Passage to China*, p. 142.

71 For Tan Hunqua's first memorial, see BL, IOR/B/61, court minutes of the East India Company 1730–32, Tan Hunqua and Chinqua, memorial to the Court of Directors of the BEIC, 22 November 1729, as quoted in van Dyke, *Merchants*, pp. 106–7. For Campbell, see Hallberg and Koninckx, *Passage to China*, p. 142.

72 Van Dyke, *Merchants*, pp. 111–12.

73 Morse, *Chronicles*, pp. 188–91, 205. Tan Hunqua's release date of 5 October is based on his later claim of being under arrest for twelve days.

74 *Ibid.*, p. 189.

75 Van Dyke, *Merchants*, p. 105; Morse, *Chronicles*, p. 202.

76 Tan Hunqua and Tan Chinqua, memorial, 22 November 1729. For the BEIC ranks of those involved, see TNA, IOR/E/3/104, letter book 21, fols. 142v–149, orders and instructions to William Fazakerley, Henry Talbot, Waldo Dubois, John Tucker, Samuel Skinner, Abraham Wessell, and Manning Lethieullier, Council for China [for 1729]; TNA, IOR/E/3/104, letter book 21, fol. 159v.

77 Tan Hunqua and Tan Chinqua, memorial, 31 December 1729.

It was not just that, as Colin Campbell put it, one of the supercargoes, ‘more honest [than] the rest and who, for that reason, was not let in the [other supercargoes]’ secret’, agreed to take Tan Hunqua and Chinqua’s memorial to the BEIC directorate.<sup>78</sup> Rather, the partners had won several BEIC employees over to their reform agenda, reflecting Tan Hunqua’s clout in 1729 as one of ‘the four [chief] Merchants’ of Canton with the say-so of ‘the Hoppo [Zu Binggui] & other Mandarins’.<sup>79</sup> Secure in his position in Canton, and with the Hoppo only recently in place, in 1730 Tan Hunqua convinced the BEIC supercargo George Arbutnot to courier reports to the BEIC Court of Directors against the next BEIC chief supercargo, James Naish, in May 1731.<sup>80</sup> Even once Hoppo Zu Binggui learned about Tan Hunqua’s campaign, probably in 1731, and proceeded against him, the 1730–31 BEIC expedition continued to support him, as did the Dutch, who knew Tan Hunqua from his trading in Batavia.<sup>81</sup> Colin Campbell similarly supported Tan Hunqua by doing business with him once Hunqua found himself in hot water.<sup>82</sup> So, while the Hoppo effectively ostracized Tan Hunqua from trade up to 1732, even imprisoning him, Tan Hunqua could continue his campaign against the Hoppo and Tan Suqua to some effect as the BEIC refused to do business with Tan Suqua in 1732.<sup>83</sup>

Ultimately, Tan Hunqua’s efforts produced reform, though not of Canton/Macau’s information culture *in toto*, as he had hoped. VOC personnel, for example, rejected his vision.<sup>84</sup> The BEIC’s Court of Directors, however, did not. It pursued Tan Hunqua’s complaints against Fazakerly and Naish, prosecuting both men in English courts, and offered compensation for the losses that Fazakerly’s actions caused.<sup>85</sup> Despite difficulties in verifying what its allegedly errant supercargoes had done, the Court also petitioned the Qing authorities for redress for itself and perhaps for Tan Hunqua. His success echoed the merchant-brokers Linqua and Anqua’s encouragement of BEIC in petitioning Beijing against a Hoppo in 1710.<sup>86</sup>

Tan Hunqua’s opponents also faced embarrassing trials and incarceration meted out from Beijing in part owing to his imperial court connections.<sup>87</sup> His competitor Tan Suqua spent upwards of three years in confinement, only returning to trading around the time when the Hoppo who had jailed him died in office in April 1735. Nor is it certain that he was fully acquitted, and his trading activities remained under a cloud until 1740.<sup>88</sup> In 1736, Tan Hunqua had his greatest triumph, when he negotiated the rescinding of the 10% tax against which he had been agitating; this was also a year in which he served the BEIC as a security merchant. In achieving this, however, he appears to have lost his taste for the politics

78 For the quote, see Hallberg and Koninckx, *Passage to China*, p. 142. For van Dyke’s account, see van Dyke, *Merchants*, p. 105.

79 Morse, *Chronicles*, p. 195; the quote is from the 1729 BEIC supercargoes’ letter to the Court of Directors.

80 Morse, *Chronicles*, pp. 191–2, 197–8, 209. The new, then still temporary, *fuyuan* appointed Zu Binggui as Hoppo late in the 1728 season.

81 Van Dyke, *Merchants*, p. 108. On the Hoppo’s knowledge of the 1729 letters to the BEIC directorate, see van Dyke, *Merchants*, p. 84; Morse, *Chronicles*, pp. 198, 202–5; Hallberg and Koninckx, *Passage to China*, p. 142.

82 Hallberg and Koninckx, *Passage to China*, pp. 98 (and n. 185), 101, 104, 108, 123, 126, 154, 156–7, 173; van Dyke, *Merchants*, p. 113.

83 Van Dyke, *Merchants*, pp. 108–12; Morse, *Chronicles*, p. 211; Cheong, *Hong merchants*, p. 137.

84 Van Dyke, *Merchants*, pp. 108–9, 111, 114.

85 Morse, *Chronicles*, pp. 202–3, 209–10, 217, 235–6; Hallberg and Koninckx, *Passage to China*, pp. 141–3. TNA, C 11/82/9, The United Company of Merchants of England trading to the East Indies v. William Fazakerley esq., Henry Talbot esq., Waldo Dubois, John Tucker, Samuel Skinner, Manning Lethieullier, Abraham Wessell, 1730; TNA, C 11/257/1, East India Company v. Naish, 1734.

86 Morse, *Chronicles*, pp. 235–6; Cheong, *Hong merchants*, pp. 35, 137. The petition’s outcome is unknown.

87 Morse, *Chronicles*, pp. 211, 217; Hallberg and Koninckx, *Passage to China*, pp. 109–11, 141–3; van Dyke, *Merchants*, pp. 112–13.

88 Morse, *Chronicles*, pp. 217, 232–3, 255, 257–9, 270–1; van Dyke, *Merchants*, pp. 86–7.

that came with being a prominent merchant, which Tan Suqua embraced.<sup>89</sup> In the end, Tan Hunqua had no substitute for substantial merchants such as Tan Suqua willing to mediate between tax-collecting Qing officials and non-hong traders in the precarious world of commodity-leveraged capital and credit. This would have to await the *consoo* fund's establishment in the 1780s.<sup>90</sup> But his nearly ten-year effort to adapt the commercial commons in Canton/Macau places him inside, not outside, the metropolitan locale in which he had long worked, underscoring its resilience.

## Public companies and transnational capital in the European metropolitan locale, 1700–1760

As in extra-European metropolitan locales, East India company directors such as Colin Campbell knew that a commercial commons supported the European metropolitan locale. Their companies drew investors and staff from its many transnational overlapping personal and professional networks.<sup>91</sup> If anything, the European commercial commons loomed larger in their calculations as publicly accessible credit and capital markets became increasingly financialized and shared across societies through equities and debt connected by instruments of obligation (such as bills of exchange). Debates surrounding the founding of the SOIC, KPAC, and GIC, in which participating in Europe's credit and capital markets bulked large, confirm this greater prominence.

Most fundamentally, though, the role of port communities, not states, in maintaining companies' access to credit and capital markets – channelling information flows and prompting institutional responses to problems – establishes the centrality of the commercial commons. Companies' state sponsorship did create greater potential for profit, especially for those privileged to found or run a company, through their monopoly rights and the protection and expansion that state power offered. Nevertheless, the VOC's bankrupting overreliance on its intra-Asian spice monopoly and BEIC's successful accommodation of commercial commons ties through, for example, agency houses, suggest that state assistance weighed most heavily early on for credit and capital access.<sup>92</sup> And in attracting needed transnational capital and credit beyond what directors and core shareholders could supply, state-sponsored companies' vulnerability to the reputational dynamics of the commercial commons increased. Finally, neither companies nor states could resolve commercial crises 'in-house'; they needed the commercial commons here too.

The SOIC demonstrates just how important these credit and capital considerations could be in an East India company's life. In the year before the company's first charter commenced in

89 Morse, *Chronicles*, pp. 247–53, 259–60; cf. van Dyke, *Merchants*, pp. 89–90, 113–16, 120, who sees Tan Hunqua as having failed completely and leaving the trade unwillingly.

90 Van Dyke, *Merchants*, pp. 29–30. Based on a tax on a shifting basket of commodities in which merchants dealt that included tea known as the *consoo*, the *consoo* fund, held in a coffer in the merchants' guild hall, provided monies to cover the costs of hong merchant bankruptcies, as well as certain fees and charges that merchants had to pay.

91 Furber, *Rival empires*, pp. 186–7, 195, 221–6, 211–16, 218–26; Barrie Crosbie, *Irish imperial networks: migration, social communication and exchange in nineteenth-century India*, Cambridge: Cambridge University Press, 2011, pp. 34–63; Wilbert Harold Dalglish, 'The Perpetual Company of the Indies in the days of Dupleix: its administration and organization for the handling of Indian commerce, 1722–1754', PhD thesis, University of Pennsylvania, 1933, p. 167.

92 Nierstrasz., *In the shadow*, pp. 73–88; Anthony Webster, *Gentlemen capitalists: British imperialism in Southeast Asia, 1770–1890*, London: Tauris Academic Studies, 1998, pp. 40–2.

1731, two Swedish ministries debated its fate. The diplomatic corps of Sweden's Kanslikollegium (Board of Chancery) represented one perspective. Its staff produced a lengthy memorial dated 3 July 1730 expressing concern over the reaction both of great powers (Britain, France, and the Dutch Republic) and of lesser ones (Denmark and Prussia) to any Swedish East Indies enterprise. Deep scepticism as to any such company's economic potential, and a certain xenophobia regarding the foreigners who would come to Sweden to serve the company, also animated their memorandum.<sup>93</sup> Their counterparts at the Kommerskollegium (Board of Trade), however, touted the economic development that the company would foster. In its assessment of 29 May 1730, the Kommerskollegium projected that the new company's imports of East Indies wares and Sweden's exports of manufactured goods, steel, and iron would complement one another and that the capital inflows that the company attracted would strengthen Sweden's credit markets.<sup>94</sup>

In the era of Hat Party mercantilism, this memorial proves no surprise.<sup>95</sup> Its pragmatic appraisal of capital and information flows within Sweden and across Europe is, however, intriguing. Within Sweden, the Board of Trade observed, the crown should seek to 'persuade foreigners who possess substantial fortunes to settle in the Kingdom'.<sup>96</sup> This capital would then circulate throughout the economy and increase through investment.<sup>97</sup> In one sense, the Board of Trade memorialists had merely argued for economic management consonant with cameralism.<sup>98</sup> But the clear-eyed invitation to foreigners to help create a dynamic and open capital market that the Swedish crown would protect also stamps this policy as one that did not envision management of all aspects of the Swedish economy. Taken together with the pronouncements of a memorial issued by the Secret Trade and Manufactures Deputation on 30 April 1731, their proposal acknowledged that no country could or should control credit markets or investment capital. In fact, this third memorial observed that Britain, the Dutch Republic, and France had all founded their East India companies with foreign capital, as all European societies did.<sup>99</sup>

Just as the Swedish Board of Trade claimed, newcomer and legacy East India concerns alike relied on international capital and credit markets in the 1700s.<sup>100</sup> In its 1729–32 reorganization, the Danish Asiatic Company drew heavily on Dutch investors, despite an exclusive monopoly from the Danish crown that could easily have excluded foreigners. Dutch and

93 Kungliga Biblioteket, Stockholm (henceforth KB), D.903, Stråles avskrift samling, 1, bd. 4o, 'Ostindiska kompaniet. Handlingar rörande det Ostindiska Compagniet 1730–1738. Avskr. I: historiska och politiska handlingar huvudsakligen från förra hälften av Frihetstiden (The East India Company. Acts touching the East India Company 1730–1738. MS Copy I: historical and political acts chiefly from the first half of the Age of Freedom)' (henceforth D.903), 'Cancellie-Collegii Utlåtande till Kongl. Majt in Ostindiska Compagniet (Board of Chancery statement to the Royal Majesty on the East India Company)', 3 July 1730. Cf. Koninckx, *First and second charters*, pp. 39–43.

94 KB, D.903, 'Commercie Collegium, Stockholm (Board of Trade, Stockholm)', 29 May 1730.

95 Lars Magnusson, *An economic history of Sweden*, London: Routledge, 2000, pp. 61–9; Leos Müller, "'Merchants" and "gentlemen" in eighteenth-century Sweden', in Margaret C. Jacob and Catherine Secretan, eds., *Self-perception of early modern capitalists*, New York: Palgrave Macmillan, 2009, pp. 125–9. The Hat Party was Sweden's pro-trade party in this era.

96 KB, D.903, 'Commercie Collegium, Stockholm', 29 May 1730. The original reads: 'inlockas att sig här i Riket nedsättia sådant främmande folk, som stor förmögenhet äga'.

97 *Ibid.*

98 Magnusson, *Economic history*, pp. 57–9.

99 KB, D.903, 'Secrete Handels och Manufactur Deputationens Memorial, angående den Ostindiske Handeln (Secret trade and manufactures deputation's memorial concerning the East Indies trade)', 30 April 1731.

100 I exclude the Compagnie perpétuelle des Indes (1719–69) here. Solely state-controlled through competing French ministries, its investors had a modest role. See Weber, 'Compagnie', pp. 426–51.

German investors also featured prominently among purchasers of the 1744 issuing of an additional 1,200 company shares, which comprised 75% of company stock.<sup>101</sup> Foreign investors or participants similarly held some 55% of company shares in the nearby KPAC, with nearly 41% in the hands of Franz Emmanuel van Ertborn of Antwerp around 1752.<sup>102</sup> Indeed, the KPAC's founders explicitly structured the company to attract foreign investment.<sup>103</sup> Once the GIC of the Austrian Netherlands became a reality in 1723, it too tapped transnational investors, albeit modestly.<sup>104</sup> Neither the Dutch nor the British wanted their nationals investing in the newer companies.<sup>105</sup> The BEIC nonetheless derived 15.9% of its operating capital from foreign sources in 1723. Meanwhile, the VOC had a strongly international contingent among its investors, who moved easily between their VOC and BEIC holdings.<sup>106</sup>

## Managing risk in the European metropolitan locale, c.1700–60

Every company, then, had some exposure to international financial markets, because they provided a means for overcoming structural constraints on growth.<sup>107</sup> Over time that exposure only increased. Through reputation a company faced the mobile pool of investment capital. The equally mobile (and related) funds that traders sent chasing after East Indies commodities tied a company to further reputational circuits. The SOIC's entry into the tea trade, for example, bound it to a market in teas well beyond its control.<sup>108</sup> Speculation, volatility, and spectacular collapses, including several in the 1750s and 1760s, defined Europe's eighteenth-century commercial commons, despite long-term trends towards stability.<sup>109</sup> Legacy companies and newcomers alike had to weather such periods, often relying on dynamically evolving, port-based, corporate institutions dressed in state clothing.

As with its British, Danish, and Dutch predecessors, a corporate and state nexus (in the form of Swedish crown's ministries and the king himself, who sponsored favourable tax

101 Furber, *Rival empires*, pp. 213–14 and 365, n. 73; Christiaan van Bochove, *Economic consequences of the Dutch: economic integration around the North Sea 1500–1800 (close encounters with the Dutch)*, Amsterdam: Amsterdam University Press, 2008, pp. 98–101, 137–8; Feldbæk, 'Danish trading companies', pp. 207–9.

102 Viktor Ring, *Asiatische Handlungscompagnien Friedrichs des Grossen. Ein Beitrag zur Geschichte des preussischen Seehandels und Aktiewesens*, Berlin: Carl Heymanns Verlag, 1890, p. 113. This calculation counts two of the company's Emden-based but recently immigrated directors as foreign.

103 *Ibid.*, pp. 79–93.

104 Weber, 'Compagnie', pp. 240–4.

105 KB, D.903, 'Secrete Handels och Manufactur Deputationens Memorial'.

106 Furber, *Rival empires*, pp. 189–90; Patrick Walsh, *The South Sea Bubble and Ireland: money, banking, and investment, 1690–1720*, Woodbridge: Boydell Press, 2014, pp. 60–3; Larry Neal, 'The Dutch and the English East India Companies compared: evidence from the stock and foreign exchange markets', in James D. Tracy, ed., *The rise of merchant empires: long-distance trade in the early modern world, 1350–1750*, Cambridge: Cambridge University Press, 1993, p. 213.

107 On this, see the introduction.

108 Swedish- and Danish-imported teas comprised 25–35% of teas reaching European markets via Guangzhou through 1780. Dermigny, *La Chine et l'occident*, Paris: SEVPEN, 1964, vol. 2, p. 539, as cited in Leos Müller, 'The Swedish East India trade and international markets, 1731–1813', *Scandinavian Economic History Review*, 51, 3, 2003, p. 35.

109 David S. Jacks, 'Market integration in the North and Baltic Seas, 1500–1800', *Journal of Economic History*, 33, 3, 2004, pp. 301–13, 329; Mary Lindemann, *The merchant republics: Amsterdam, Antwerp, and Hamburg, 1648–1790*, Cambridge: Cambridge University Press, 2014, pp. 277, 287–309; Frank C. Spooner, *Risks at sea: Amsterdam insurance and maritime Europe, 1766–1780*, Cambridge: Cambridge University Press, 1983, pp. 42–8, 50–86.

policies and, in 1739, a marine insurance society) provided the SOIC with its public face.<sup>110</sup> But also like its peers, the SOIC orchestrated day-to-day operations through a staple port or privileged port-cum-headquarters.<sup>111</sup> Sweden's western port Gothenburg became the SOIC's chief staple port, housing its main office and primary base of maritime operations and surrounding it with a crown-designated tax structure that placed duties on East Indies wares, but waived other import and export imposts.<sup>112</sup> The other East Indies newcomers, the GIC and KPAC, also depended on the infrastructure of their staple ports (Ostend and Emden) for key services such as provisioning, harbour accommodations, storage facilities, and sale of East Indies goods, and participants in city government could also have a hand in the companies.<sup>113</sup>

East India company architects working through the staple or privileged ports were, like Canton's Hoppo, adapting centuries-old organizational practices beyond their ambit, albeit for managing trade taxation, politics, and access.<sup>114</sup> An important consequence of this was that the emerging European metropolitan locale further augmented their number and incorporated them into a web of trade diasporas, as Gothenburg demonstrates.<sup>115</sup> There the Swedish crown forged the staple port into a tool to recruit mercantile talent. Gustav II Adolf gave seats on the city council to Scots, Dutch, and German as well as Swedish inhabitants.<sup>116</sup> The city's initial organization reflected that of a guild merchant, with the council regulating trade as part of its duties and new migrants receiving merchant-friendly tax exemptions.<sup>117</sup> Outside merchants met real resistance from the founding of Gothenburg's *kiöp- och handels gille* (Mercantile and Trade Guild) in 1661 through to 1741.<sup>118</sup> But, although these near-Hanseatic communitarian frictions had real impact, the city's *kiöp- och handels gille* opened itself to outsiders who had ties to yet other outsider merchants.<sup>119</sup> Hostility had, in fact,

110 Koninckx, *First and second charters*, pp. 35–6; Julia Adams, *The familial state: ruling families and merchant capitalism in early modern Europe*, Ithaca, NY: Cornell University Press, 2005, pp. 49–63; Stern, *Company-state*, pp. 3–60; Feldbæk, 'Danish trading companies', pp. 206–9.

111 Hildor Arnold Barton, *Scandinavia in the revolutionary era: 1760–1815*, Minneapolis, MN: University of Minnesota Press, 1986, p. 13; Robert Brenner, *Merchants and revolution: commercial change, political conflict, and London's overseas traders, 1550–1653*, London: Verso, 2003, pp. 3–4, 51, 61–79, 82–9; Carruthers, *City of capital*, pp. 137–9, 146–151; Ring, *Asiatische Handlungscompagnien*, pp. 71–80; Serruys, 'Oostende', pp. 45–9; Johan Matthijs de Jonge, 'Shareholder activists *avant la lettre*: the "complaining participants" in the Dutch East India Company, 1622–1625', in Jonathan G. S. Koppell, ed., *Origins of shareholder advocacy*, Basingstoke: Palgrave Macmillan, 2011, pp. 63–5, 77–81; Stern, *Company-state*, pp. 3–10.

112 Koninckx, *First and second charters*, pp. 38–40, 43–7, 56–7. Marstrand, Helsinki, and Strömstad also became SOIC staple ports.

113 See, for example, Ring, *Asiatische Handlungscompagnien*, pp. 79–80, 84–5, 87–8, 91, 102, 111–27; Serruys, 'Oostende', pp. 45–9, 52–3.

114 W. Stanford Reid, 'The Scots and the Staple Ordinance of 1313', *Speculum*, 34, 4, 1959, pp. 598–610; Hanno Brand, 'Habsburg and Hanseatic diplomacy during the Sound controversy of 1532', in Hanno Brand and Leos Müller, eds., *The dynamics of economic culture in the North Sea and Baltic region in the late middle ages and early modern period*, Hilversum: Verloren, 2007, pp. 104–20; Erik Lindberg, 'Merchant guilds and urban growth in the Baltic Sea area, 1650–1850', in *ibid.*, pp. 50–61; Leos Müller, *The merchant houses of Stockholm, c.1640–1800: a comparative study of early modern entrepreneurial behaviour*, Uppsala: Uppsala University Library, 1998, pp. 43–8.

115 Lindberg, 'Merchant guilds', pp. 47–9.

116 Conspicuously, though understandably, absent were subjects of nearby Denmark-Norway, Sweden's regional rival.

117 Steve Murdoch and Alexia Grosjean, 'The Scottish community in seventeenth-century Gothenburg', in Alexia Grosjean and Steve Murdoch, eds., *Scottish communities abroad in the early modern period*, Leiden: Brill, 2005, pp. 191–2.

118 Douglas Catterall, 'At home abroad: ethnicity and enclave in the world of Scots traders in northern Europe, c.1600–1800', *Journal of Early Modern History*, 8, 3–4, 2005, p. 332.

119 Lindberg, 'Merchant guilds', pp. 52–60; Hugo Fröding, *Handelsföreningen i Göteborg, 1661–1911*, Gothenburg: W. Zachrissons boktryckeri, 1911, pp. 206–24. Fröding's list of members includes many known migrants to Gothenburg.



abated to a large degree by the 1720s, in part owing to outsider institutions such as the British Factory; in 1723 the merchant-dominated *Riksdag* (Swedish diet or parliament) debated relaxing religious restrictions in order to recruit foreigners with skills that were in high demand.<sup>120</sup>

Along with its directors' international outlook, Gothenburg's evolution into a conduit for human capital explains the SOIC's capacity to tap transnational mercantile networks for investment capital and skilled personnel to tame it. Unsurprisingly, it fulfilled these needs through the similarly transformed staple port of Ostend. Some of the SOIC's first directors (such as Charles Pike) and many of its skilled personnel and investors came from Ostend, the operational headquarters of the GIC, or from among people with GIC ties in Antwerp and Ghent. By doing this, the SOIC simply intended to profit from the expertise attracted to the GIC, including the BEIC country trader expertise of Colin and Hugh Campbell. But, given the GIC's origins in the ventures of individual members of the merchant establishments of Ostend, Antwerp, and Ghent, the SOIC also looked to their legitimacy as corporate bodies in vetting these individuals.<sup>121</sup> The GIC and the KPAC recruited key personnel and investors through staple port linkages as well.<sup>122</sup> The well-established VOC counted recent migrants to its staple port of Amsterdam (such as Thomas Hope) and members of prominent Anglo-Dutch families like the Cliffords (who also served in city government) among its directors into the eighteenth century.<sup>123</sup> Even the insular BEIC appointed men such as John Boyd, of Irish-Huguenot parentage, to its directorate.<sup>124</sup>

Once embedded in the trade-diaspora-transformed corporate institutions of the European metropolitan locale's ports, state and company elites could not eliminate companies' dependence on long-established trade practices operating across state boundaries involving credit and capital. Like other merchants in the North and Baltic Seas zone, company-affiliated merchants chiefly solved their problems within the framework of local urban law through its informal ties to the commercial commons. Most ports in the European metropolitan locale possessed small claims courts for debts and disputes; agents, notaries public

120 Catterall, 'At home abroad', pp. 328–36; Koninckx, *First and second charters*, pp. 307–8, 314, 335–41, 406–9; Magnusson, *Economic history*, p. 61.

121 Degryse and Parmentier, 'Kooplieden en kapiteins', pp. 122–32, 236–9; Gill, *Merchants*, pp. 101–9, 120–1; Koninckx, *First and second charters*, 51–3, 77–8, 287–90, 335–40; Jan Parmentier, 'The sweets of commerce: the Hennessys of Ostend and their network in the eighteenth century', in David Dickson, Jan Parmentier, and Jane Ohlmeyer, eds., *Irish and Scottish mercantile networks in Europe and overseas in the seventeenth and eighteenth centuries*, Ghent: Academia Press, 2007, pp. 70–4 and 86, n. 39.

122 Degryse and Parmentier, 'Kooplieden en kapiteins', pp. 122–32, 236–9; Jan Parmentier, *Tea time in Flanders: the maritime trade between the Southern Netherlands and China in the 18th century*, Ghent: Ludion, 1996, pp. 31–2; Jan Parmentier, *De hollse compagnie. smokkel en legale handel onder zuidnederlandse vlag in Bengalen, ca. 1720–1744 (The hollow company: smuggling and legal trade under the South Netherlands flag in Bengal, ca. 1720–1744)*, Hilversum: Uitgeverij Verloren, 1992, pp. 9–11; Jan Parmentier, 'Irish mercantile empire builders in Ostend, 1690–1790', in Thomas O'Connor and Mary Ann Lyons, eds., *Irish communities in early modern Europe*, Dublin: Four Courts Press, 2006, pp. 362–82, esp. 378 for company founder information; H. Berger, *Überseeische Handelsbestrebungen und koloniale Pläne unter Friedrich dem Grosse*, Leipzig: Buchhandlung Gustav Fock, 1899, pp. 106–7; Ring, *Asiatische Handlungscompagnien*, pp. 79–80, 90–3, 97, 99–102, 104, 112, 115–16.

123 Jochem Kroes, *Chinese armorial porcelain for the Dutch market*, Zwolle: Waanders, 2007, pp. 121–2; Johan Joor, 'Consequences of the continental system for Amsterdam', in Katherine B. Aaslestad and Johan Joor, eds., *Revisiting Napoleon's continental system: local, regional and European experiences (war, culture and society, 1750–1850)*, New York: Palgrave Macmillan, 2014, p. 271; Nierstrasz., *In the shadow*, pp. 172–3 and 252, n. 33.

124 David Hancock, *Citizens of the world: London migrants and the integration of the British Atlantic community, 1735–1785*, Cambridge: Cambridge University Press, 1997, pp. 46–8, 218.

(or their equivalent), and merchant consuls to assist foreign merchants; and higher municipal courts and city councils interested in maintaining their city's commercial reputation.<sup>125</sup> Port cities could also project legal resolutions regionally, both at their behest and at that of merchants.<sup>126</sup> Collectively, these port cities supported a reputation-oriented information culture in the commercial commons that allowed company-involved merchants to manage risk in the European metropolitan locale.

## Policing bankruptcy in the European metropolitan locale, c.1750–1760

This system was embodied in action by the city authorities in Amsterdam, Gothenburg, Hamburg, and Stockholm, along with SOIC and VOC traders and directors and minor commercial functionaries who unwound the bankruptcy of Hising and Petersen of Stockholm in the fall of 1752. Since this was also a case of a fairly ordinary firm failing, it nicely illustrates how the commercial commons usually worked.

With strong ties to Swedish commercial, industrial, and government circles, Mikael Hising and Volter Petersen's business had a promising start in 1750.<sup>127</sup> In short, their firm had every prospect of success. But shortly after the SOIC ship *Götha Leyon* arrived in Gothenburg in the summer of 1752, Hising proceeded to bid up the price of its teas. His outlays reached the point where the Amsterdam merchant house George Clifford and Sons, with close VOC ties, had agreed to accept bills of exchange from Hising to the tune of 31,500 Rijksdaalders (78,750 guilders).<sup>128</sup> This single transaction amounted to about 3.2% of the value of all East Indies exports from Sweden in 1752.<sup>129</sup> Major players in the tea market viewed Hising's moves as threatening and ill-intentioned. The merchant house Pye and Cruikshank wrote that, 'it is not too surprising that Hising [& Co.] buys [teas] at any prices when they have such Villainous schemes In Viewe, as It appears from their malicious Intentions, which have happily for those concerned with him been prevented putting into execution'.<sup>130</sup>

125 Carruthers, *City of capital*, pp. 146–51; Edda Frankot, 'The practice of maritime law in the town courts of fifteenth-century northern Europe: a comparison', in Brand and Müller, *Dynamics*, pp. 136–52; Mentz, *English gentleman merchant*, pp. 49–63; James Oldham, *English common law in the age of Mansfield*, Chapel Hill, NC: University of North Carolina Press, 2004, pp. 93–105; Phillips, *East India Company*, pp. 23–4; Pierrick Pourchasse, 'Dynamism and integration of the north European merchant communities in French ports in the eighteenth century,' in Victor N. Zakharov, Gelina Harlaftis and Olga Katsiardi-Hering, eds., *Merchant colonies in the early modern period*, London: Routledge, 2015, pp. 45–60.

126 See, e.g., Hendrik Spruyt, *The sovereign state and its competitors*, Princeton, NJ: Princeton University Press, 1996, pp. 120–9, although I eschew the construct of law merchant in what follows.

127 Oskar Wasastjerna, ed., *Åttar-talor öfver den på Finlands riddarhus introducerade adeln (Genealogical tables of nobility introduced at Finland's House of Nobility)*, Borgå: Utgifvarens förlag, 1879–83, vol. 2, p. 181; *Biografiskt lexikon öfver namnkunnige svenske män (Biographical dictionary of notable Swedish men)*, vol. 5, Stockholm: F & G. Beijers Förlag, 1875, pp. 146–7; Mauritz Hallberg, *Minnespenningar öfver Enskilda Personer födda eller verksamma i Finland (Medals commemorative of singular individuals born or active in Finland)*, Helsingfors: utgifna af Svenska Litteratursällskapet i Finland, 1906, p. 65; Müller, *Merchant houses*, pp. 241–2; Müller, 'Merchants', pp. 125–46; Frederic Bedoire and Robert Tanner, *The Jewish contribution to modern architecture, 1830–1990*, Jersey City, NJ: KTAV Publishing House, 2004, pp. 16–20.

128 Rikskarkivet, Stockholm, *Diplomatica Hollandica* (henceforth RA, DH), 1015, Consul Pierre Balguerie to the Kansli Collegium, 6/17 October 1752; Müller, *Merchant houses*, p. 285.

129 Müller, 'Swedish East India trade', p. 36. SOIC historiography actually describes these tea exports as re-exports.

130 James Ford Bell Library, University of Minnesota, Minneapolis, Charles Irvine Correspondence (henceforth JFB, CIC), 1752a/57a, Pye & Cruikshank to Charles Irvine, 30 September 1752.

Hising also attempted to convince as many major market actors as possible to purchase teas from the *Götha Leyon's* cargo at the SOIC auctions. One observer noted that Gothenburg's merchant community needed to:

recover of the surprise occasioned by that consummat Villain Hising of Stockholm who had laid a deep plot to ruin half our town [Gothenburg], & severall with you [in Amsterdam] & at Hambg: Of six people that he prevailld on to buy for him (for Mr. Campbell and Sahlgren refused) None by great good luck, can suffer much by him but Bagge & Co. and Mr. [J. W.] Nilsen and they, We think, are at least able to stand their ground.<sup>131</sup>

Had Hising persuaded all of those he approached, his play might have approached 10% of the Swedish East Indies export market's value. Whether he planned to push auction prices for the *Götha Leyon's* teas higher or profit from a rising market remains unclear.<sup>132</sup> With but two ships coming in, each with different cargo mixes, and Swedish tea exports experiencing an upward trend from the second half of 1750 until 1752, however, Hising probably judged the time right to seek substantial profits.<sup>133</sup>

Many merchants might have praised Hising's boldness, but not his methods. The commercial commons and its information culture quickly put his conduct on trial. Sharp reactions to Hising's scheme entered the correspondence of important merchants in Amsterdam, Gothenburg, and Stockholm early in September.<sup>134</sup> With Hising's arrest in Hamburg publicly known by 16 September, people began picking over the details of his plans.<sup>135</sup> According to Pierre Balguerie, the Swedish consul in Amsterdam, Hising did not keep honest company. One of his alleged accomplices, Gustav Gardtman, an officer in the Swedish army, had tapped military funds to participate in the Hising syndicate's speculation. Another, a notary to the Stockholm orphanage, had peculated funds from the estates of orphanage wards. Balguerie described Hising as having fled from his ledgers with his mistress in tow, which is confirmed by the correspondence of the Grills, allies of the Hising family.<sup>136</sup>

Fellow merchants, including Hising family associates, echoed Balguerie. Abraham Grill in Gothenburg sent word to Claes Grill in Stockholm, and more than likely to the family firm in Amsterdam, Anthony & Johannes Grill, of Hising's misdeeds. Grill also commiserated with Hising's father and his erstwhile partner, Volter Petersen, while Anthony & Johannes Grill reassured business associates such as Andrew & Charles Lindegren of London that Hising's actions would not sink the Grill family fortunes.<sup>137</sup> Major merchants in Gothenburg's tea market worked to ensure that accurate information emerged regarding tea prices and Hising's actions. Charles Irvine, a central figure in the SOIC and a participant in that year's SOIC tea auctions, for example, pursued two courses of action. First, he sold those teas he had purchased

131 National Register of Archives Scotland, Edinburgh (henceforth NRAS), 1500, Irvine of Drum, XXIII, Irvine to Pye & Cruikshank, 9 September 1752. Campbell and Sahlgren were the SOIC directors Colin Campbell and Niklas Sahlgren. The other two names are of substantial Gothenburg merchant houses.

132 Koninckx, *First and second charters*, pp. 272–4, 283–5.

133 *Ibid.*, pp. 283–5, 543–4; Müller, 'Swedish East India trade', p. 36.

134 NRAS, 1500, Irvine of Drum, XXIII, Irvine to Pye & Cruikshank, 9 September 1752; Müller, *Merchant houses*, p. 242.

135 NRAS, 1500, Irvine of Drum, XXIII, Irvine to Pye & Cruikshank, 16 September 1752.

136 RA, DH, 1015, Balguerie to Chancery President Anders Johan von Höpken, 17/28 October 1752; Müller, *Merchant houses*, p. 242.

137 Müller, *Merchant houses*, p. 242.

in the *Götha Leyon* sale after tea prices collapsed in the wake of Hising's failure, and then bought heavily in the subsequent *Prins Karl* tea auction to maintain the market.<sup>138</sup> Second, he quashed damaging rumours. One that his friend Arthur Abercromby claimed was spreading on the London exchange spoke of Brabant-based investors driving the fluctuations in Swedish tea prices. Referring to Abercromby's Rotterdam-based informant, Irvine asked acerbically whether he were 'a knave, a fool, some credulous Idiot, or Embden [i.e. KPAC] emissary?'<sup>139</sup> Yet another Rotterdam merchant, the soon-to-be-bankrupt KPAC director John Forbes of Alford, also received Irvine's advice.<sup>140</sup> Irvine's detailed accounts of the merchant houses involved suggest that he made efforts to warn them off Hising's plans too.<sup>141</sup>

The observations of Balguerie's and Hising's fellow merchants chiefly highlighted Hising's and his alleged accomplices' misuse of their positions to increase their short-term access to buying power in the tea market. Surprisingly, Hising and his partners may not have thought all was lost. When caught, both Gardtman and Hising had detailed financial archives with them.<sup>142</sup> So perhaps they hoped to reclaim their former lives.

Even if true, however, Balguerie, J. F. König (the Swedish consul in Hamburg), the Amsterdam and Hamburg authorities, and Sweden's Boards of Chancery and Trade adjudicated the Hising syndicate's malfeasance without regard for their good intentions. They aimed their collaborative procedures at preventing reputational counterfeit to protect the commercial commons. For Balguerie, Hising and his associates had committed 'a violation of the public trust and confidence, which was the soul of commerce that bound together all nations in a concourse without borders with those that one cannot know except by reputation'.<sup>143</sup> If people could safely counterfeit reputations, then they could counterfeit the information culture on which the commercial commons depended. Balguerie's argument underscored the paradox that the transnational flow of commerce relied on the veracity of locally made reputations. This is why Balguerie also saw it as essential to protect the customs and privileges of Amsterdam's citizens and the reputation of the city among foreigners who did business there with the port of Amsterdam's local institutions. Describing the matter to the *schepenen* (judges) of Amsterdam, Balguerie noted that the crime was also 'a matter concerning your citizens, Messrs. Clifford & Sons', whose interests Balguerie saw himself as defending; that Balguerie's actions also served VOC interests needed no mention.<sup>144</sup> If people like Gardtman and Hising could flout the rule stipulating incarceration of those not paying the profit on a bill of exchange transaction, they would destroy 'the mainspring of the confidence and credit that this city [Amsterdam] enjoys among strangers'.<sup>145</sup> In making these statements to the Amsterdam authorities and the Swedish Boards of Chancery and of Trade, Balguerie both modelled and legitimized

138 NRAS, 1500, Irvine of Drum, XXIII, Irvine to Pye and Cruikshank, 9 September 1752; JFB, CIC, 1752b/81a, Arthur Abercromby to Irvine, 10 November 1752.

139 JFB, CIC, 1752b/60a, Abercromby to Irvine, 3 October 1752; NRAS, 1500, Irvine of Drum, XXIII, Irvine to Abercromby, 14 October 1752.

140 JFB, CIC, 1752b/61a, John Forbes to Irvine, 4 October 1752; NRAS, 1500, Irvine of Drum, XXIII, Irvine to Forbes, 14 October 1752.

141 NRAS, 1500, Irvine of Drum, XXIII, Irvine to Pye & Cruikshank, 9 September 1752; NRAS, 1500, Irvine of Drum, XXIII, Irvine to Charles Metcalfe, 10 October 1752.

142 RA, *Diplomatica Germanica* (henceforth DG), 876, Mikael Hising jnr to Consul J. F. König, 28 September 1752; RA, DH, 1015, Balguerie to the Kanslikollegium, 22 September/3 October 1752; RA, DH, 1015, Balguerie to [von Höpken], 20 January 1753.

143 RA, DH, 1015, Balguerie to the Kanslikollegium, 6/17 October 1752.

144 RA, DH, 1015, Balguerie to von Höpken, 17/28 October 1752.

145 RA, DH, 1015, Balguerie to the Kanslikollegium, 6/17 October 1752.

transnational circulation of local practices and reputations at the heart of the European metropolitan locale's commercial commons.

From a procedural standpoint also, the transnational operation of local, port-based contexts predominated. The *burgemeesters*, *schepenen*, and *hoofdofficier van justitie* (sheriff and chief prosecutor) of Amsterdam handled Gustav Gardtman's case, with the *hoofdofficier* assisting in a citizen's arrest that George Clifford & Sons initiated.<sup>146</sup> Hising, his mistress, Mademoiselle Gråborg, and his servants all faced the Hamburg municipal court's mercies, which Hising himself protested vehemently to the Swedish consul J. F. König (although weeks later he had no trouble asking König to falsify his account books for him).<sup>147</sup> The chief actors involved also faced extradition processes that took local jurisdictions and concerns into account. The Amsterdam high court and the *hoofdofficier* extradited Gardtman as a favour to the Swedish crown, and only after assurances that Gardtman would face justice. Here George Clifford's profile within the VOC likely weighed in the balance too.<sup>148</sup> Hising, who initially ended up imprisoned in Stralsund after extradition, could not leave Hamburg until he had satisfied Hising & Petersen's Hamburg creditors.<sup>149</sup> Finally, the city of Stockholm liquidated Hising & Petersen's assets, cancelling the bills of exchange remaining there.<sup>150</sup> In the end, while he managed to find work briefly as a financial adviser to German principalities such as the Bishopric of Würzburg, Hising had to make a fresh start in Cahors, under the name d'Hillebard, although here he even became mayor. He never returned to the North and Baltic Seas zone in person nor to East Indies trade.<sup>151</sup> The commercial commons had punished him with more than a bad reputation.<sup>152</sup>

## Conclusion: open-sourcing metropolitan space?

The story I have told envisions East Indies trades c.1680–1760 as encompassing multiple, porous, and port-centred metropolitan spaces. In this decentred metropolitan world, companies and states influenced mercantile actors, but merchants also influenced them.

146 RA, DH, 1015, Balguerie to von Höpken, 17/28 October 1752.

147 RA, DG, Hising to König, 1 October 1752; RA, DG, Hising to König, 7 October 1752; RA, DG, Hising to König, 10 October 1752; RA, DG, Hising to König, 2 November 1752.

148 RA, DH, 1015, Balguerie to [von Höpken], 10/21 October 1752; RA, DH, 1015, Balguerie to von Höpken, 17/28 October 1752; RA, DH, 1015, Balguerie to [von Höpken], 20/31 October 1752; RA, DH, C Pierre Balguerie's petition to the *schout* and *schepenen* of Amsterdam, 1 November 1752.

149 RA, DH, 1015, Balguerie to von Höpken, 17/28 October 1752; RA, DG, Hising to König, 2 November 1752.

150 Müller, *Merchant houses*, p. 242; Stig Jägerskiöld, 'Gustaf III och bergsrådet Johan Hisinger: några dokument till belysning av krisen 1788–89 och Anjalaförbundet (Gustav III and Councillor of Mines Johan Hisinger: documents illuminating the crisis of 1788–89 and the Anjala League)', *Historisk Tidskrift för Finland (Historical Journal of Finland)*, 48, 1964, p. 140. A *konkursakt* or bankruptcy act in the Stockholm stadsarkiv contains details on the unwinding of Hising's 'position' in teas.

151 Stig Jägerskiöld, 'Mikael Hising', in *Svenskt biografiskt lexicon (Swedish biographical dictionary)*, vol. 19, s.v., as cited in Müller, *Merchant houses*, p. 242.; Stig Jägerskiöld, *Från jaktstollen till landsflykten: nytt ljus över Carl Jonas Love Almquists värld och diktning (From hunting estate to exile: new light on Carl Jonas Love Almquist's world and poetry)*, Stockholm: Bonniers, 1970, pp. 22, 120–1; Jägerskiöld, 'Gustaf III', pp. 140–56; 'Hisinger, släkt (Hisinger, family)', *Svenskt biografiskt lexicon*, <http://www.nad.riksarkivet.se/sbl/artikel/13612>, (consulted 23 February 2013); RA, 721157, Mikael Hising's arkiv angående yllemannufakturen i Cahors 1771–1781 (Mikael Hising's archive concerning wool manufacture in Cahors, 1771–1781).

152 Cf. Catterall, 'At home abroad'; Müller, *Merchant houses*, pp. 241–5; Steve Murdoch, *Network north: Scottish kin, commercial, and covert associations in northern Europe, 1603–1746*, Leiden: Brill, 2006, pp. 161–8, 193–202.

Within metropolitan locales, institutional actors and individual traders and their networks created, contested, and carried into effect rules and practices by which all abided.

In order to satisfy increasing needs for credit and capital, however, rules and practices had to permit the greatest possible access to core commercial services. State and company desires to carve up metropolitan locales into spheres of influence restricted access. The merchants whose stories I have told saw themselves as part of a group with common needs, and so cooperated across these barriers through commercial commons. Although motivated by private gain, in East Indies commerce they also collaborated to shape the institutionalized practices underlying its marketplaces. Knowing that they could not achieve profit unless a metropolitan locale's entire mercantile community could obtain core, trade-enabling services, they stressed merchant-to-merchant obligations. These had enforceability as individual agreements to achieve the transactional flexibility necessary to the credit and capital capacity they needed. But they also chained many actors together into a voluntary, transnational community of obligation that could push port institutions and law towards collective solutions of transnational crises. As the crises above show, merchants acquired this clout because they agreed that mutual enforceability of capital and credit arrangements constituted a common good. In developing practices, they invested port institutions and port law with this outlook, reshaping market spaces by embedding metropolitan locales in open-source commercial commons.

Legacy companies, their associated states, and merchant allies admittedly had an ambivalent relationship with commercial commons. Nonetheless, states and 'national' companies existed in creative tension with – and not strict opposition to – transnational(ized) actors, institutions, and practices. In any case, accounts of their prominent, but failed, efforts to restrain commercial commons are at best incomplete. Indeed, institutional latecomers to East Indies trade, such as the SOIC, the KPAC, and their affiliated states, actively worked within commercial commons, comfortable with their open-source idiosyncrasies. Perhaps they, not the BEIC and VOC, constituted the norm in the eighteenth-century European metropolitan locale. And in the South China Sea, even the more heavily bureaucratized Qing state acknowledged a commercial commons.

At the very least it seems crucial to recognize that mercantile successes or failures in East Indies endeavours could result from simple failures to mobilize capital, credit, information, or urban legal practices, outcomes lacking imperial valence. But in accommodating commercial commons, states and companies acknowledged them as transnational institutional spaces. After all, many actors and entities besides the BEIC, the SOIC, and the involved states addressed Tan Hunqua's wish for reform or the Hising syndicate's misconduct. Their stories suggest that, if East Indies enterprises were contingent endeavours, arising from states, companies, and individual networks disrupting one another, transnational institutionalization's interaction spaces fostered mediation, and even coordination of conflicting interests, enabling the independent merchant coalitions they relied on to thrive.

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