

“THE EXTRAVAGANT HUMOUR OF STOCK-JOBGING” AND THE MEMBERS OF THE ENGLISH BODY POLITIC, 1690-1720

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The title of a 1697 pamphlet about London’s stock-jobbers referred to the “extravagant humour of stock-jobbing,” using the imagery of contemporary medical knowledge to suggest that stock-jobbers represented a potentially unbalancing element within the English body-politic. Members of different social orders, however, perceived differently the threat stock-jobbers allegedly posed. Landowners, merchants, craftworkers, bureaucrats, and the officers of joint-stock companies all saw in the stock-jobbers perils specific to their own social statuses and ambitions. The few defenders of the stock-jobbers therefore also sought to demonstrate the benefits that dealings in joint-stock companies could offer to the body-politic as a whole as well as to all its members in particular.

In 1996 Federal Reserve Chairman Alan Greenspan famously highlighted the possibility that “irrational exuberance has unduly escalated asset values.”¹ By ascribing a capricious personality to the stock market, Greenspan unwittingly followed in the footsteps of the anonymous English pamphleteer who in 1697 offered the reading public a broadside entitled *A Proposal for putting some stop to the extravagant humour of stock-jobbing*. This earlier author’s formulation drew on the contemporary understanding of human bodies and personalities as being ruled by their internal balance of “humours.” The 1697 author’s choice of words signaled that he, like Greenspan, believed that speculation in stocks had grown beyond reasonable boundaries to the point of posing a danger to the economy and society at large.²

Nor was the anonymous pamphleteer alone in applying the language of early modern medicine to the trade in stocks. In the same year (1697), Daniel Defoe, who went on to author *Robinson Crusoe* in 1719, lamented “the Projecting Humour” that reigned in the market and decried the many fantastical “projects” designed to gull the naive into subscribing their savings.³ The prolific satirist Ned Ward in 1700 published a poem entitled “The picture of a coffee-house, or, The humour of the stock-jobbers,” the first part of the title referring to the usual haunt of stock-jobbers at Jonathan’s or Garraway’s coffee-houses in Exchange Alley, not far from the mercantile headquarters of

the Royal Exchange. In 1719 Defoe wrote of *The anatomy of Exchange-Alley*, while three works published by other authors in 1720, the year of the South Sea Bubble, offered readers the chance to witness *The 'Change-Alley Quakers anatomiz'd*, *The humours of Exchange-alley*, and *Exchange-alley: or, the stock-jobber turn'd gentleman; with the humours of our modern projector*.⁴

These formulations of the issue of stock-jobbery carried a further resonance because of their connection to the language of the “body politic.” Within this metaphor the various social ranks became the parts of the body and the proper functioning of the whole depended on the right relation of those parts.⁵ In this conception the “extravagant humour of stock-jobbing” threatened to wreak disorder among the members of the body politic. The preamble to the 1697 pamphlet suggests this sensitivity to the interests of the various social ranks and the threat posed by stock-jobbery to each:

Whereas great quantities of several sorts of Shares in Stocks and Bank, &c. are daily Bought and Sold by Brokers, Stock-jobbers, and Others: and by divers Arts and Stratagems Advanc'd and Lower'd, after an extravagant and unaccountable manner, to the great Prejudice of many Gentlemen, Merchants, Traders, and Others, and Ruine of many Families, and to the Discouragement of the Trade of this Kingdom in General...⁶

Accordingly the various members of English society—not only gentlefolk, merchants, and craftworkers, but also the joint-stock companies themselves and even the fledgling English state—all conceived of the hazard posed by stock-jobbing in terms specific to themselves and their own threatened interests.⁷ Printed representations of stock-jobbers, both positive and negative, therefore also spoke to the specific concerns of the various members of the English body politic.

For the landed classes, accustomed to gaining their livings from the rents of their estates, the greater returns to be had from the stocks possessed some attraction. As a titled lord suggested in 1707, land as an investment could rarely be expected to yield more than a paltry three per cent once upkeep and the land tax were taken into account.⁸ The social capital conferred by land ensured that much of the wealth of the gentry would remain in their estates; yet the bills still had to be paid. The enterprising gentleman (or in many cases, gentlewoman) might decide to invest in joint-stock shares or perhaps in government debt hoping to improve his or her revenues. Of the 1,196 shareholders of record in the East India Company in 1696, 67 were men of title, accounting for 19 percent of the Company's total capital.⁹

Yet England's literary public viewed the gentry's resort to Exchange Alley as unseemly at best and perilous at worst. In his 1700 pamphlet on “The Humours of the Stock-Jobbers” Ned Ward referred to the coffee-houses as:

A Receptacle for all sorts of Men
From Tip-Staves to the Gravest Aldermen
Knights, Bar'nets, Squires, Gentlemen and Drapers

Scriv'ners, Attorneys, Beau's, Fops, Fools, and Scrapers
Vintners, and Mercers, Farmers, City Prentice
And Councillours, the Priest too there Commences
Stock-Jobber, but (East-India Merchant I'd say sure)
The Thing they love, the Name they can't endure.¹⁰

Many plays and pamphlets attacking stock-jobbers liberally used similar language of social inversion, of the "world turned upside down" as a result of gentlemen speculators coming to ruin. In a 1695 pamphlet *Angliae Tutamen*, an anonymous author criticized stock-jobbers who enriched themselves by creating impossible schemes and enticing the unwary into investing in them. The author marveled at "what abundance of People have been drawn in and abus'd, of all Qualities, Gentle and Simple, Wise and Otherwise; and really among 'em some Men of incomparable Parts and great Qualifications were caught, being allur'd with the Hopes of gaining vast Riches by this means." This line of discourse reached the heights of scurrility in the plays of the Bubble year. For example, *The stock-jobber turn'd gentleman* featured a gentlewoman who pawned her "Jewels, Watch, and Tweezer Case, and every Thing else" to buy £1000 worth of stock alongside a young woman from a disreputable neighborhood who declared that she "would willingly preserve my Maiden Treasure by Insurance;" a stock-jobber ironically assured the latter woman that in return for her premium it would be as secure "as that of a Lady of Quality at a Masquerade."¹¹ The play's main plot, however, concerned the marriage negotiations between a merchant who had a young daughter named Miranda and a stock-jobber who was literally a beast who walked on all fours, wielded a long tail, and possessed the suggestive name of Africanus. Yet the stock-jobber boasted the title of gentleman and had amassed a fortune of £100,000 by taking advantage of gullible gentlemen of more ancient lineage. Miranda eventually agreed to the match, accepting her father's argument that "Wealth alters a Man beyond Expression; if he were a Brute of that Climate from whence he has his Name, Money would effectually render him a Gentleman; the Quality would court him, Ladies admire him, and every Body pay him Obedience and Respect."¹²

Despite this dolorous vision of uncouth but wealthy commercial men buying their way into society's upper ranks, London's wealthier merchants found that in practice money did not automatically confer acceptance among the elite. While more were presenting themselves as gentlemen, the social standing of merchants remained controversial.¹³ In addition to the jealousy of the landed gentry to preserve their position, merchants with social ambitions faced the prevailing mercantilist critique of their very relationship to wealth. True wealth, according to this critique, arose from the land in the form of farming or mining products. Merchants merely shifted wealth from one hand to another while keeping a share for themselves.

To dispute the argument that merchants were parasites on the proprietors of land, several pamphleteers used the same argument against stock-jobbers. According to this counter-narrative, merchants were honest

dealers in tangible goods whose activities created employment for the poor and opened up new overseas markets for English manufactures. In contrast, stock-jobbers produced only chimerical benefits for the realm while their private profits came at the expense of both merchants and producers, who all too often saw their livelihoods ruined. The nature of this exercise in public relations was clear in the title of a 1708 pamphlet: *A dialogue between Jest, an East-India stock-jobber, and Earnest, an honest merchant*.¹⁴ Similarly, in the 1700 pamphlet "A satyr against satyrs," Ned Ward replied to his own "Picture of a coffee-house":

The little Citts [i.e. citizens] they dayly Sacrifice,
That the great Knaves may on their Ruines Rise;
Thus by the quickest way they Cure their Itch,
And Right or Wrong, betimes they'd fain be Rich.
Thus Wisely do our Modern Men of Sense,
The dull Formalities of Trade dispence;
And in one day by Knavery get more,
Than Honesty can furnish in Fourscore....¹⁵

A similar denunciation of stock-jobbery as a parasitical economic pursuit appeared in an anonymous pamphlet of 1692 entitled *Plain dealing*. In this didactic dialogue "Mr. Wary" reported to "Mr. Johnson" a conversation with their stock-jobbing acquaintance "Mr. Hazzard." The aptly-named Hazzard had answered Wary's greeting "How's trade?" (rather than the more modish "How do stocks go?")¹⁶ with the contemptuous reply: "Hang Trade, all Trade is an Ass to Stock, there's more to be got by Stock in a Week, or sometimes in a Day then [*sic*] by other Business that ever he was acquainted with in a Year, did I think he'd stand pilling straws or thrumming caps behind the Counter."¹⁷

Johnson shared Wary's dismay at the idea of honest trade being merely a beast of burden for the stock-jobbers to ride upon, not least because he believed that stock-jobbers' time and capital could be much better employed to the benefit of themselves, their neighbors, and their realm in "Noble Enterprizes" such as "Searching Mines, Improving Land, Exercising Manufactures, Forreign and Domestick Traffick." Through such endeavors, Johnson argued, the "Poor are imploy'd, the Revenues increased, the Honour and Reputation of the Nation's inhanc'd," while on the other hand, "if one Stock-jobber get an Estate, another is undone... here's no Poor imploy'd, nor Customs or Excise paid..."¹⁸

On at least one occasion a group of "the poor" spoke out against stock-jobbers as a threat to their own interests. As England suffered a monetary shortage in 1696, the woolen clothiers of Gloucestershire blamed stock-jobbers for their troubles, delivering this petition to the House of Commons:

That the said County chiefly depends upon the Woollen Manufacture; the greatest Part of its Poor, by reason of the Decay of Trade, having no Employment, and are become intolerably chargeable to their Parish; the Cause

of which Misfortunes they conceive to be, the high Discount of present Money in Exchange for Bank Notes, occasioned by Stock-jobbing...¹⁹

The author of *Plain Dealing* had argued that stock-jobbers did not employ the poor through their speculations as merchants did through their commercial dealings, but the Gloucestershire petitioners went farther, declaring that the bank-note speculators actually destroyed commerce and put previously employed people out of work.

Commercial joint-stock firms also perceived stock-jobbers as a serious threat to their interests, given that their securities represented prime potential targets. In 1710 the Royal African Company (RAC) nearly came to ruin through the actions of two speculators, Thomas and Fletcher Albert. Established in 1672, the slave-trading firm by the early 1700s, even before the Albert brothers' actions, already was experiencing financial difficulties and hence was particularly vulnerable. The RAC had "advanced great Sums of Money to carry on their Trade, and Contracted very great Debts to preserve their Forts and Settlements on the Coast of Africa" even as wartime risks made trading costly. As a result, RAC bonds traded at a discount of 65 percent off their par value.²⁰ Meanwhile, Thomas Albert, the Receiver-General for Worcestershire, who was delinquent on his payments of royal revenue to the Exchequer and was anxious to clear this debt, conspired with his brother Fletcher Albert, a Bristol merchant and stock-jobber, to take advantage of the RAC's distressed finances. Fletcher Albert paid £4,000 for discounted RAC bonds with a total par value of £10,000; then in August 1710 his merchant house ceased to honor the RAC's bills of exchange "on pretence that ye Compa[ny] Owed him Money."²¹ To further pressure the RAC to pay off its bonds at their full par value, Thomas Albert used the power of his office to obtain judicial writs for the seizure of RAC property, at least once actually executing them to confiscate the Company's books from its London headquarters in Leadenhall Street.²² The brothers also suborned George Mason, the company's agent in Bristol, to deliver up company funds for the payment of their bonds. These machinations so disrupted the RAC's operations that in February 1714 the RAC finally consented to a settlement with the Albert brothers for £3,600.²³

From the Royal African Company's point of view, the settlement was a last resort, made only after a series of failed efforts to resist the Alberts' scheme. The RAC had sent several petitions to the office of the Lord High Treasurer and to Queen Anne, calling each time for the judicial writs against the company to be overturned.²⁴ The RAC published one of its pleas to the Queen in an anonymous pamphlet for public consumption, in which it charged that the brothers had obtained "a very unjust advantage to Themselves" through their stock-jobbery. Aside from the damage inflicted upon the RAC as a corporate body, the pamphlet focused on the ways in which three groups of stakeholders could also be harmed. First, if the Alberts' plan worked, the company's other creditors would suffer, for:

if Albert recovers the whole Money secured by the Bonds, he will have 100 l. for every 35 l. he paid, which is a Wrong to the Com-

pany's other Creditors: It being natural Justice, that since the Debts due to all the Company's Creditors are equally Just, they should fare alike in being equally paid...but if Albert succeeds in this Fraud, he will have All, and the rest of the Creditors Nothing.

Second, the entire English body politic would lose if the Alberts succeeded in seizing the RAC's assets, for the company "will be incapable of sending any Support to their Forts and Settlements [in Africa] and both the Forts and Effects Abroad will be lost" and by extension "the [African] Trade would be lost to the Nation."²⁵ Third, the Albert brothers' conduct would set a pernicious example for the Crown's revenue officials, who "may easily get Estates out of any Company, when by any Misfortune their Affairs are declining, and it may happen to be the Case of the Bank, or the East India Company."²⁶

The RAC case was not the English state's only exposure to the perils of stock-jobbery, the most obvious of course being the National Debt, whose mismanagement began to inflate the South Sea Bubble in 1720. Another example involved several enterprising men attempting during 1702-1703 to obtain a charter for a joint-stock company to furnish the realm with pitch, tar, and turpentine harvested from the forests of North America. The nation's security and prosperity depended on an adequate supply of these items, which were essential for naval construction. England previously had purchased most of its naval stores from countries bordering the Baltic Sea, but the outbreak of war had made this supply uncertain. Given the dire situation, the Board of Trade took an interest in any potential alternative source of naval stores, especially the New England forests that the entrepreneurs hoped to tap.²⁷

Before the Commissioners of Trade would approve the draft charter or commit the Crown's funds to the project for American naval stores, they sought to verify that the charter seekers intended to set up a *bona fide* company, not a scheme to defraud would-be investors, and that the company's stock would not become a target for speculation. As a safeguard they requested that all initial investors in the company be required to retain their shares for five years. In a letter to the Board dated January 12, 1703, William Wharton, an agent of the charter applicants, protested that their draft charter already had sufficient safeguards against stock-jobbery and called the Board's proposed restriction "an abridging [of] the common right of the subjects in disposing of their properties, which no men of ability will submit to."²⁸ A week later Wharton offered a counter-proposal: "no person having any interest in the said Stock who shall sell all or any part of his interest, shall be capable of purchasing any part of the said stock within one year after any such sale."²⁹ The Commissioners were not impressed and the draft charter they submitted to the Queen's Council in March 1703 contained their preferred five-year prohibition of share transfers.³⁰ The issue dragged on through the spring and summer of 1703, with Wharton arguing twice more against the Board of Trade's restrictions on share transfers and warning that "if the said clause be insisted on, it will be impossible to compleat [*sic*] the subscriptions necessary to carry on this undertaking, and the subscribers now concerned must and will desist from all thoughts of any further application on this behalf."³¹

On July 30 an Order of Queen in Council communicated the royal assent to the grant of the charter and referred the issue back to the Board of Trade, but offered no guidance on how much to restrict share transfers.³² The next month Wharton tried one last time to argue the point, emphasizing that “the clause has already caused several persons of reputation and estate to cry off the whole affair.”³³ The subject then appears to have been dropped; ultimately, the fear of stock-jobbery seems to have led the Board of Trade to veto the proposal for a chartered company to supply the realm with American naval stores.

This result from the Board’s prohibition on secondary share-trading matched the prediction of John Houghton, who had been one of the few to defend stock-jobbers in print. Houghton, the publisher of a weekly newsletter entitled *A Collection for Improvement of Husbandry and Trade*, included tables of share prices in most issues of his publication and devoted several full issues to “the original and necessity of joint-stocks, the lawfulness and usefulness of trading therein, and the abuses that are so much complained of and charged upon the traders in them.”³⁴ As Houghton perceived it, “should buying and selling of Shares (which is call’d Stock-Jobbing) be prohibited, there must be no Joynt-Stocks, that is, Partnership, even in fitting a Ship to Sea; for who will have a Share, if to save his Life, Estate or Freedom, he might not part with it.”³⁵

Thus the very liquidity of shares that had proved so objectionable to the Board of Trade as it weighed William Wharton’s proposal for American naval stores was in Houghton’s view one of the main advantages of shares. Throughout his arguments, Houghton sought to prove to merchants and landowners the superiority of shares over other investments:

...a great many stocks have arisen since this war with France; for trade being obstructed at sea, few that had money were willing it should lie idle, and a great many that wanted employments studied how to dispose of their money, that they might be able to command it whensoever they had occasion, which they found they could more easily do in joint-stock, than in laying out the same in lands, houses, or commodities, these being more easily shifted from hand to hand.³⁶

Houghton further argued that joint-stocks, by making it easier for promoters to raise capital for risky projects, had made seaborne trade with distant regions possible and aided in the rise of entire domestic industries that had previously been thought unprofitable, including alum, coal, copper, marine salvage, lustering, lacquering, and glassmaking.³⁷ Joint-stock financing had thus widened the range of goods available to English consumers of all social ranks. For instance, “Tapestry for the gentry’s second or third rooms, and ordinary folks first rooms, are pretty adornments” whose ready availability resulted from the activities of joint-stock capitalists and the stock-jobbers who dealt in their shares. Joint stocks also provided “ordinary folks” with expanded employment opportunities in the production and distribution of

goods. Houghton here offered the inland transport of fish as a trade in which joint-stock finance could overcome both financial and social barriers:

...poor folk, whom this work is fit for, cannot get horses and money to drive the trade, and rich men are not so fit to manage this affair; neither will they, as private men, run a chargeable hazard with a new project. This must rather be done by the public stock of the town...or a joint stock of some of the inhabitants....³⁸

As for the dangers that share-price manipulations posed to joint-stock companies and to the public at large, Houghton allowed that “in small stocks ‘tis possible to have shares rise or fall by the Contrivances of a few Men in Confederacy” but suggested that larger firms were immune to such predation. (He died in 1705, too early to witness the trouble the Albert brothers caused to the Royal African Company, let alone the bursting of the South Sea Bubble in 1720.)³⁹ Even if some stock-jobbers engaged in underhanded practices, wrote Houghton, “must we presently thereupon run down all with a full cry that so deal therein? May we not with as much justice and reason cry out against all mankind as devils, because many are guilty of diabolical actions?”

Daniel Defoe challenged Houghton’s optimistic assessment of the ratio of dishonest to honest stock-jobbers, writing in his 1697 “Essay on Projects” that “as there was always more Geese than Swans, the number of the latter are very inconsiderable in comparison of the former.” Defoe lamented the transformation of stock-jobbery, which was “at first only the simple Occasional Transferring of Interest and Shares from one to another,” into a regular trade in which, “while the Brokers held the Box, they made the whole Exchange the Gamesters, and rais’d and lower’d the Prices of Stocks as they pleas’d.” To Defoe, stock-jobbery and dishonest projecting were “a modern way of thieving every jot as criminal, and in some degree worse” than simple highway-robbery.⁴⁰

In his 1719 work “The Anatomy of Exchange-Alley,” DeFoe was even harsher in his condemnation of stock-jobbing, declaring the practice to be “neither less or more than high treason in its very nature, and in its consequences.” Stock-jobbers, he observed, were in a position to set a value not only upon the shares of joint-stock companies, but also upon “the government, the ministers of state, the publick [sic] credit, nay, even the elections of Parliament.” That being the case, Defoe asked rhetorically:

Is this an advantage fit to be put into the hand of a subject? Are the King’s affairs to go up and down as they please, and the credit of His Majesty’s councils rise and fall as these men shall please to value them? This would be making them kings, and making the King subject to the caprice of their private interest, his affairs be liable to be rated in Exchange Alley, and to be run down as they pleased; an article which, as the Roman Pontiff, in the first politicks of the Church, made all the kings of the earth become pensioners to the priests, so it would make all the Kings of Britain pensioners to Exchange Alley.⁴¹

Having ascribed to stock-jobbers the practices of popery (a serious charge in a self-consciously Protestant nation that had recently experienced the pro-Catholic Jacobite rebellions of 1715 and 1719), Defoe also conveyed a special warning to the “forward young tradesman” who might be tempted to partake in the doings of Exchange Alley: “I say ‘tis ten thousand to one but he is undone; if you see him once but enter the fatal door, never discount his bills afterwards, never trust him with goods at six months’ pay any more.” For Defoe, stock-jobbing was utterly incompatible with the honest aspirations of merchants and craftsmen, and “If it be thus dangerous to *the mean*, what is it to *the great*? I see only this difference, that in the first the danger is private, in the latter publick.”⁴²

Defoe hoped that “the Parliament, who have hitherto redressed the publick grievances, will take care of these people in particular [i.e., the stock-jobbers]” and address the danger they posed to both the State and its subjects; however, he also feared the possible consequences of political interference in stock-jobbery. He envisioned a scenario in which “a government should come absolutely to get the management of the stock-jobbers...that if they did not at any time command the general treasure, and be able to raise what money they pleased without a Parliament, they would be able to add what value they pleased to the funds given, raise them when they pleased to draw money in, and sink them when they pleased to issue money out.”⁴³ Thus, Defoe considered the power of stock-jobbery to be overwhelmingly dangerous whether it resided in the hands of a King of England or in the hands of any of his subjects.

Much space existed between Defoe’s insistence that stock-jobbers should be treated as traitors and John Houghton’s assurance that they represented no danger at all but a positive benefit to the English body politic. Even the more moderate proposals to solve the problem of stock-jobbery, however, shared the problem of unintended consequences, as did the Board of Trade’s insistence that the investors in William Wharton’s naval-stores scheme be restricted from selling their shares. Like Defoe, the Bristol merchant and economic pamphleteer John Cary argued in his 1695 *Discourse on Trade* that stock-jobbing should be discouraged by an unspecified set of “Laws framed for that end,” while the anonymous author of “Plain Dealing” in 1691 also reckoned that “A Parliament’s Wisdom will not want ways” to address the issue.⁴⁴

Parliament did indeed attempt a settlement in April 1697 with the passage of *An Act to restrain the Number and ill Practice of Brokers and Stock-Jobbers*, enacting the first controls on stock dealings since 1673.⁴⁵ The new law limited the number of stock-jobbers to 100 and required them to obtain a license from the Lord Mayor of London, to register their names and residences at the Guildhall and the Royal Exchange, to post a bond of £500, and to keep a register book with entries for every contract into which they entered. It also limited brokerage fees and declared void all credit instruments, including “Talleys Orders Exchequer Bills Exchequer Ticketts or Bank Bills,” arranged before the law was to take effect on May 1 but payable after that date.⁴⁶

This final clause was the reason why, one day before the Act's final passage, a delegation of London merchants presented a petition *against* the Act. They did this not out of any love for stock-jobbers or desire to preserve the freedom to speculate, but instead out of fear that the provision that voided credit instruments would irreparably harm their own interests. England in 1696 had experienced a severe monetary shortage, and as merchants typically did in such a situation, the petitioners had "sold their goods for Bank Notes, and were necessitated to make many other bargains and contracts pursuant thereto."⁴⁷ Now they faced the possibility that their revenue from sales made on credit for months or even years back would evaporate. The merchants wanted Parliament to end stock-jobbers' speculations in short-term credit instruments, but not at so great a perceived cost to themselves. (Ultimately, however, the bill's passage complete with the offending clause did not bring about the feared devastation.)

Another reason for the ambivalence of merchants as a group towards stock-jobbers was that many of them *were* stock-jobbers. In fact, many stock-jobbers plied their disreputable trade only on the side, carrying on more respectable craft or commercial endeavors as their main source of income.⁴⁸ The author of "Plain Dealing" noted "the great grief of many a bystander to observe our Royal Exchange, the most renowned in the Universe for its Structure, and the daily Concourse of Merchants there, in the exercise of their noble and laudable Professions, become a Theater for such vile practices."⁴⁹ Even so, London's merchants tried to draw a line between themselves and stock-jobbers by expelling them from their place in the Royal Exchange in 1698, leaving them to find new sites of operation in Jonathan's and Garraway's coffee-houses, or in the open air of Exchange Alley.⁵⁰ The Corporation of London outlawed this latter retreat with an ordinance of 1700 prompted by a "Humble Petition of the Inhabitants and Shopkeepers in and about Exchange-Alley in Cornhill" and citing the "Incouragement... given by the tumultuary Concourse of People attending the said Brokers, to Pick-Pockets, Shop-Lifters, and other Idle and Disorderly People to mix among them."⁵¹ Yet despite these attempts at creating both moral and geographical distance between merchants and stock-jobbers, the response of the former to the 1697 Parliamentary restriction on the latter showed that their interests were not easily disentangled.

Though this statute did not include a tax on stock transactions, several pamphleteers had discussed such a levy to restrain stock jobbers. These included the anonymous author of "A Proposal For Putting some Stop to the Extravagant Humour of Stock-jobbing" who claimed that through a tax on share transfers "the extravagant and unaccountable Methods of Brokers, Stock-jobbers, and Others, will in great measure be Restrained."⁵² While the 1697 pamphlet offered no specific rate for the proposed levy, the author of "Plain Dealing" in 1691 had called for the imposition of "some such Duty as Five Pounds per cent. Or Share to the King... upon Transfers in all Stocks incorporated by Charter." To prevent evasion, he suggested that owners of stock be required to post bond that they would not sell without paying the duty or actually transferring the stock.⁵³ Since the tax was not adopted, we do

not know whether the tax would have had its intended effects or whether the bonding scheme would have effectually prevented evasion.

Ned Ward located the problem and its solution elsewhere:

The City's Pride foments this Baneful Trade,
And has of Honesty Destruction made.
The Tricks you find among this Jobbing Fry,
Are to Indulge their Wives in Foppery.
The product of a common Dilligence,
Cann't now support a Citizens Expence;
'Twill not maintain Coaches and Six, to wait
Upon His Majesty, in Pomp and State...

The rapacity of the trade in stocks, Ward suggested in baldly sexist terms, stemmed from the desire among ordinary citizens for luxury more proper to a monarch's station. As a satirist, Ward saw it as his function to confront and expose such pretension, but doubted whether the impulse for pretension could ever be eradicated:

Then think no more to stem this furious Tide,
Till you can first Correct the City's Pride;
But to do this, a greater Labour is,
Than all the famous Tasks of Hercules.
Then lay aside thy Pencils dipt in Gall,
Since only on thy self the smart must fall.
All Satyr's Vain, and 'tis the Poet's Curse,
To be Despis'd, and have an Empty Purse.⁵⁴

Perhaps the pride of those interested in the South Sea Company ended the "extravagant humor of stockjobbing." In April 1720 the company's directors floated its ill-fated scheme to restructure the national debt; that June it prevailed upon Parliament to pass "An Act for better securing certain Powers and Privileges... and for restraining several extravagant and unwarrantable Practices therein mentioned."⁵⁵ The company intended the Bubble Act to restrict the formation of new joint-stock companies, thus making available more capital for investment in South Sea shares.⁵⁶ The collapse of the share price from its peak of £1,050 in June to £300 in September wrecked these plans and the fortunes of many speculators. Yet for all the damage the bursting of the South Sea Bubble wreaked upon these relative few, most landed fortunes remained intact and "For the business community as a whole, through the length and breadth of England, the Bubble was not a catastrophe."⁵⁷ The specific fears of gentry, merchants, craftworkers, company officers, and the State regarding the perils of stock-jobbery thus proved to be somewhat exaggerated. In the end, the eighteenth century finance community lacked the necessary power and interconnectedness with the rest of the English body politic to affect any fundamental reordering of its members.

NOTES

1. Remarks by Chairman Alan Greenspan at the Annual Dinner and Francis Boyer Lecture of The American Enterprise Institute for Public Policy Research, Washington, D.C., December 5, 1996, <http://www.federalreserve.gov/boarddocs/speeches/1996/19961205.htm> (accessed December 6, 2011).
2. Anonymous, "A Proposal for putting some stop to the extravagant humour of stock-jobbing" (London, 1697). Early English Books Online, <http://eebo.chadwyck.com/home> (accessed December 6, 2011).
3. Daniel Defoe, *An Essay Upon Projects* (London, 1697), 24. Early English Books Online, <http://eebo.chadwyck.com/home> (accessed December 6, 2011).
4. Daniel Defoe, "The anatomy of Exchange-Alley," 1719, <http://www.litencyc.com/php/anthology.php?UID=150> (accessed November 3, 2011); Elias Bockett, *The yea and nay stock-jobbers, or, The 'Change-Alley Quakers anatomiz'd: in a burlesque epistle to a friend at sea* (London, 1720), Early English Books Online, <http://eebo.chadwyck.com/home> (accessed December 6, 2011); William Rufus Chetwood, *The stock-jobbers, or, The humours of Exchange-alley: a comedy of three acts* (London, 1720), Early English Books Online, <http://eebo.chadwyck.com/home> (accessed December 6, 2011); Anonymous, *Exchange-alley: or, the stock-jobber turn'd gentleman; with the humours of our modern projectors. A tragic-comical farce* (London, 1720), Early English Books Online, <http://eebo.chadwyck.com/home> (accessed December 6, 2011).
5. David George Hale, *The Body Politic: A Political Metaphor in Renaissance English Literature* (The Hague: Mouton, 1971), 7.
6. "...Extravagant humour of stock-jobbing."
7. But see Anne L. Murphy, *The Origins of English Financial Markets: Investment and Speculation before the South Sea Bubble* (Cambridge University Press, 2009), especially Chapters 3 and 7, which suggest that fears of the harm to be caused by stockjobbers were somewhat overwrought.
8. Peter Earle, *The Making of the English Middle Class: Business, Society and Family Life in London, 1660-1730* (London, 1989), 152, quoted in Murphy, 215.
9. Murphy, 147.
10. Edward Ward, "The picture of a coffee-house, or, The humour of the stock-jobbers" (1700), 1-2. Early English Books Online, <http://eebo.chadwyck.com/home> (accessed December 6, 2011).
11. *Exchange-alley: or, the stock-jobber turn'd gentleman*, 18, 21.
12. *Ibid.*, 32, 37-40.
13. Murphy, 141; Perry Gauci, *The Politics of Trade: The Overseas Merchant in State and Society, 1660-1720* (Oxford University Press, 2001), 156-160.
14. Anonymous, "A dialogue between Jest, an East-India stock-jobber, and Earnest, an honest merchant" (London, 1708). Early English Books Online, <http://eebo.chadwyck.com/home> (accessed December 6, 2011).
15. Edward Ward, "A Satyr Against Satyrs: Or, An Answer to a late Pamphlet Intituled, The Picture of a Coffee-house" (London, 1700), 6. Early English Books Online, <http://eebo.chadwyck.com/home> (accessed December 6, 2011).
16. S. R. Cope, "The Stock Exchange Revisited: A New Look at the Market in Securities in London in the Eighteenth Century," *Economica*, New Series, Vol. 45, No. 177 (Feb.

- 1978), 2.
17. Anonymous, "Plain dealing: in a dialogue between Mr. Johnson and Mr. Wary his friend, a stock-jobber, and a petitioner against the E-- I-- Company, about stock-jobbing, and the said company" (London, 1691), 2.
 18. *Ibid.*, 6-7.
 19. *Journal of the House of Commons, Vol. 11: 1693-1697* (1803), pp. 598-600 (27 November 1696), [http://www.british-history.ac.uk/report.aspx?compid=39335&strquery=stock jobbing](http://www.british-history.ac.uk/report.aspx?compid=39335&strquery=stock%20jobbing) (accessed November 19, 2008).
 20. Anonymous, "The Case of the Royal African Company and Their Creditors, as to the Prosecution by the Queen for Albert's Debt" (1711). Early English Books Online, <http://eebo.chadwyck.com/home> (accessed December 6, 2011).
 21. 23 August 1710, TNA T.70/9; William Pettigrew, "Free to Enslave: Politics and the Escalation of Britain's Transatlantic Slave Trade, 1688-1714" (D.Phil thesis, Oxford University, 2007), 51-52.
 22. RAC to Lords of the Treasury, 28 December 1710, TNA T.70/170 66v.
 23. Pettigrew, "Free to Enslave," 53-54.
 24. For example, RAC to Lords of the Treasury, 28 December 1710, TNA T.70/170 66v; RAC to Queen Anne, May 1711, TNA T.70/170 66v-67r, RAC to Queen Anne, 22 November 1711, TNA T.70/170 67v-68r; RAC to Lord High Treasurer, 30 June 1712, TNA T.70/170 69r, among several others in the same volume.
 25. Though the Royal African Company continued to maintain that trade with Africa was best conducted by an exclusive joint-stock company, the success of independent English slave traders had already refuted this argument; see David Eltis, *The Rise of African Slavery in the Americas* (Cambridge University Press, 2000), 135.
 26. "The Case of the Royal African Company and Their Creditors..."
 27. Joseph J. Malone, *Pine Trees and Politics: The Naval Stores and Forest Policy in Colonial New England, 1691-1775* (Seattle: University of Washington Press, 1964), 24; Sinclair Snow, "Naval Stores in Colonial Virginia," *The Virginia Magazine of History and Biography* 72, No. 1, Part 1 (Jan. 1964), 81; Justin Williams, "English Mercantilism and Carolina Naval Stores, 1705-1776," *The Journal of Southern History* Vol. 1, No. 2 (May 1935), 169. Though at this point interest centered mainly on New Hampshire as a potential source of naval stores, the pine forests of Virginia and the Carolinas eventually proved to be the better source.
 28. Cecil Headlam, ed., *Calendar of State Papers Colonial, America and West Indies* 21: 1702-1703 (1913), 115-116, no. 165.
 29. *Ibid.*, 133, no. 203.
 30. *Ibid.*, 235-236, no. 404.
 31. Quote appears in *Ibid.*, 498-500, no. 824. See also *Ibid.*, 400, no. 662.
 32. *Ibid.*, 585-587, no. 972.
 33. *Ibid.*, 638, no. 1021.
 34. John Houghton, *A Collection for Improvement of Husbandry and Trade* (London: Randall Taylor et al., 1692-1703; republished Westmead, Farnborough, Hants.: Gregg, 1969), 1:260, 8 June 1694. Early English Books Online, <http://eebo.chadwyck.com/home> (accessed December 6, 2011).
 35. *Ibid.*, 2:186, June 25, 1697
 36. *Ibid.*, 1:261, June 15, 1694.
 37. *Ibid.*, 2:43-44, May 2, 1696.
 38. *Ibid.*, 3:335, April 30, 1703.

39. *Ibid.*, 1:269-270, July 6, 1694.
40. Defoe, "Essay upon Projects," 32.
41. Defoe, "Anatomy of Exchange-Alley."
42. *Ibid.*
43. *Ibid.*
44. John Cary, *A Discourse on Trade* (London, 1695), 32-33, Early English Books Online, <http://eebo.chadwyck.com/home> (accessed December 6, 2011); "Plain dealing," 8.
45. Bruce G. Carruthers, "Trading on the London Stock Market," *City of Capital: Politics and Markets in the English Financial Revolution* (Princeton, 1996), 61, reprinted in *Great Bubbles: Reactions to the South Sea Bubble, the Mississippi Scheme and the Tulip Mania Affair*, Vol. 3: The South Sea Bubble, ed. Ross B. Emmett (London, 2000), 160-194.
46. "William III, 1696-7: An Act to restraine the Number and ill Practice of Brokers and Stock-Jobbers. [Chapter XXXII. Rot. Parl. 8 & 9 Gul. III. p.11.nu.1.]," *Statutes of the Realm, Vol. 7: 1695-1701* (1820), pp. 285-287, [http://www.british-history.ac.uk/report.aspx?compid=46880&strquery=stock jobbing](http://www.british-history.ac.uk/report.aspx?compid=46880&strquery=stock+jobbing) (accessed November 19, 2008).
47. Edward Chancellor, *Devil take the hindmost: a history of financial speculation* (New York: Plume, 1999), 51-52; Carruthers, "Trading on the London Stock Market," 61; Stockbrokers Act, 14 April 1697, Parliamentary Archives HL/PO/JO/10/1/493/1162, http://www.nationalarchives.gov.uk/a2a/records.aspx?cat=061-hlpojo_1-5&cid=1-1-1-1-64-7&kw=stockbrokers'%20act#1-1-1-1-64-7 (accessed November 25, 2008).
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49. *Ibid.*, 5.
50. Perry Gauci, *Emporium of the World: the Merchants of London 1660-1800* (London: Hambledon Continuum, 2007), 42-43; Richard Dale, *The first crash: lessons from the South Sea Bubble* (Princeton, 2004), 31.
51. Corporation of London, *Jovis Decimo die Octobris*, 1700.
52. "...Extravagant Humour of Stock-jobbing."
53. "Plain dealing," 9.
54. Ward, "A satyr against satyrs," 7-8.
55. Ron Harris, "The Bubble Act: Its Passage and Its Effects on Business Organization," *The Journal of Economic History* 54, No. 3 (Sep. 1994), 613-618.
56. *Ibid.*, 622-623.
57. Julian Hoppit, "Financial Crises in Eighteenth-Century England," *Economic History Review*, New Series, Vol. 39, No. 1 (Feb. 1986), 47-48.