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The Collapse of Thompson and Company: credit, reputation, and risk in early modern England

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Abstract:

This article uses a case study of the bank of Thompson and Company (1671-1678) to demonstrate the interconnected nature of seventeenth-century finance, commerce, and politics. It focusses specifically on the collapse of the bank itself and examines the commercial and political circumstances surrounding it. Due to the limited surviving source material, which requires the bank to be reconstructed from a diverse range of sources, the bank of Thompson and Company is largely absent in existing financial, commercial, and political studies of early modern England. Therefore, this analysis uses a combination of Chancery records, pamphlets, institutional records, and correspondence to reconstruct the series of events that resulted in the failure of the bank. This study builds on the historiography of credit and reputation in early modern England. While historians have emphasised the positive outcomes for individuals occupying multiple roles in politics and commerce, the negative implications have not been addressed to the same extent. Ultimately, this study illuminates the negative side of public activity and office-holding, and the risk attached to inhabiting more than one position in a society functioning on the exchange of knowledge and reputation.

Keywords: reputation, credit, bankruptcy, politics, London, early modern

In 1676 the alderman, city merchant and lieutenant of the Tower of London, Sir John Robinson, wrote to Sir Joseph Williamson, the Secretary of State, to inform him that ‘Thompson Nelthorpe Farrington Page the Bankers in partnership have lost their reputations’, and that ‘they have summoned their creditors to meet tomorrow’.¹ The bank, known as Thompson and Company, was formed in 1671 by two sets of trading partners. On the one hand, merchants Richard Thompson and Edward Nelthorpe had been trading together since at least 1667, while, on the other, merchant John Farrington and wholesale trader Edmund Page had been in partnership some time prior to the formation of the bank. Alongside the bank, the partners carried on their previous mercantile activities, and Thompson and Nelthorpe sat on London’s Common Council. The bank collapsed in 1678, when it was issued with three separate commissions of bankruptcy after failing to reach an agreement with its creditors. Following the bankruptcy, Thompson and Nelthorpe fled into hiding, Farrington was arrested, and Page had died in June 1677.² During its seven active years, the bank had attracted over 200 male and female creditors from a wide range of backgrounds, from gentlemen to citizen traders. The difficulties encountered by Thompson and Company were a result of the multiple roles they held across the fields of finance, commerce, and politics, and the mutually reinforcing relationship between power and risk that accompanied these roles. It is this multiplicity of roles that this article explores.

¹ The National Archives (subsequently TNA), *State Papers, Domestic*, Charles II, vol, 18, no. 144.

² J.M.S. Brooke (ed.), *Transcript of the Registers of the United Parishes of St Mary Woolnoth and St Mary Woolchurch Law* (London, 1886), 243.

It does so in order to illuminate the much wider and interconnected nature of commerce, politics, and finance in the late seventeenth century. The bank has never been examined in this way. Instead, existing scholarship has predominantly been framed in literary terms of what the bank reveals about the political and financial activities of Thompson and Nelthorpe's friend and cousin, the poet and politician Andrew Marvell.³ In addition to being kin, Marvell was a political ally, sharing Thompson and Nelthorpe's nonconformist principles and endorsement of toleration, and, when they fell on hard times in 1677, he hid them from their petitioning creditors.⁴ It is for this reason that the banking partners have received so much attention in Marvell studies, as it was their bankruptcy, Nicholas von Maltzahn argues, which 'so colours the last years of [Marvell's] life'.⁵ Marvell was also financially involved with the bank, and was implicated after his death in a court case over a financial bond, which used Marvell's name instead of Nelthorpe's to avoid the statute of bankruptcy sued out against the partners.⁶

Whilst the significance of the bankruptcy to Marvell's last years is clear enough, these studies have nevertheless obscured what the bank and its partners can tell us about the relationship between politics, commerce, and finance. For example, Marvell biographer Nigel Smith labelled the formation of the bank a 'smaller-scale event', only important for the 'profound impact' it had 'on Marvell's life'.⁷ Despite the lack of attention paid to the banking partners themselves, some significant information has been revealed by these literary studies. Pauline Burdon uncovered Thompson and Nelthorpe's family backgrounds in York and Hull, Martin Dzelzainis discovered some of Nelthorpe and Farrington's trading activities, Phil Withington has examined their civic and urban identities, and Fred Tupper was the first to partially recount the partners' bankruptcy.⁸ Most importantly, L. N. Wall in the 1960s uncovered a great number of avenues of investigation to pursue, including conflict with the East India Company and disputes in civic government, but only briefly investigated them himself.⁹ These avenues have been pursued further in this article.

Aside from Marvell studies, partners Thompson and Nelthorpe are discussed in Gary De Krey's study of late seventeenth-century politics, highlighting their positions as common councillors in the

³ F.S. Tupper, 'Mary Palmer, Alias Mrs. Andrew Marvell', *Modern Language Association* 53, 2 (Jun. 1938), 367-392; L.N. Wall, 'Marvell's Friends in the City', *Notes and Queries* 6, 6 (Jun. 1959), 204-207; A. Kavanagh, 'Andrew Marvell "in want of money": The evidence in John Farrington v. Mary Marvell', *The Seventeenth Century* 17, 2 (2002), 206-212; M. Dzelzainis, 'Andrew Marvell, Edward Nelthorpe, and the Province of West New Jersey', *Andrew Marvell Newsletter* 5, 1 (2013), 20-25; P. Withington, 'Andrew Marvell's Citizenship' in D. Hirst and S.N. Zwicker (eds), *The Cambridge Companion to Andrew Marvell* (Cambridge, 2011), 102-121; P. Withington, *The Politics of Commonwealth. Citizens and freemen in early modern England* (Cambridge, 2005), 224-229; N. Smith, *Andrew Marvell. The chameleon* (Hampshire, 2012); G.S. De Krey, *London and the Restoration, 1659-1683* (Cambridge, 2005), 131, 135, 140, 148-9, 150, 413.

⁴ Tupper, *op. cit.*, 371; N. von Maltzhan, *An Andrew Marvell Chronology* (Basingstoke, 2005), 197.

⁵ Von Maltzhan, *op. cit.*, 116.

⁶ Tupper, *op. cit.*, 367-392; Kavanagh, *op. cit.*, 206-212; TNA, *Chancery*, C 7/589/82, Wallis v Farrington; TNA, *Chancery*, C 7/587/95, Marvell v 'Ferrington'; TNA, *Chancery*, C 8/252/9, Answers of Mary Marvell; TNA, *Chancery*, C 6/276/48, Farrington v Marvell; TNA, *Chancery*, C 6/275/120, Wallis v Marvell; TNA, *Chancery*, C 6/242/13, Farrington v Palmer.

⁷ Smith, *op. cit.*, 240.

⁸ P. Burdon, 'Marvell and his Kindred: The family network in the later years – II Nelthorpes, Thompsons, and Popples', *Notes and Queries* 32, 2 (Jun. 1985), 172-180; Dzelzainis, *op. cit.*, 20-25; Withington, 'Andrew Marvell's Citizenship', *op. cit.*, 102-121; Tupper, *op. cit.*, 367-392.

⁹ Wall, *op. cit.*, 204-207.

Corporation of London and as ‘pivotal figures’ in a political-opposition network in the 1670s.¹⁰ His primary focus is on the importance of the Corporation of London to parliamentary politics in Restoration London and the links between opposition groups in different levels of government, which is further explored in this study with particular focus on Thompson and Nelthorpe. However, whilst De Krey effectively demonstrates links between political and religious dissent and explores the social backgrounds of dissenting groups, he does not show how their wider social lives impacted, or were impacted by, their political activism. For example, he notes that Thompson and Company’s bankruptcy had a profound effect on their own positions but does not recognize how this affected their political allies or the wider opposition movement.¹¹ How political conflict interacted with, and even manipulated, the fields of business, finance, and commerce is not addressed. The bankers, therefore, have remained minor figures in larger stories, and the bank has never been examined in its own right.

This article focuses on the bankers and the bank itself, examining the partners’ financial, political, and commercial activity in the 1670s. The collapse of the bank is attributed to the interconnected nature of these three fields, demonstrating how conflict in one field could have knock-on effects in the others. The term ‘field’ here refers to a historicized version of Pierre Bourdieu’s concept, defined as a ‘social space’.¹² Individuals can inhabit more than one ‘field’ at any time and fields have commonalities that allow them to interact.¹³ A ‘role’ in this context is a ‘collectively understood’ position of authority or power within a field, which gives that individual agency to pursue certain goals and influence the field and others within it.¹⁴ Thompson and Company’s four partners had roles as merchants in the commercial field and bankers in the financial field, and Thompson and Nelthorpe had additional roles as common councillors in the political field. Individuals compete within each field for superiority using different forms of ‘power or capital’.¹⁵ The most significant form of capital for this study is ‘symbolic capital’, which is ‘commonly called prestige, reputation, renown’ but could also be called ‘credit’.¹⁶ The concept of credit is particularly important in early modern financial history. Craig Muldrew has argued that credit was a social and cultural, as well as a financial, practice which relied on ‘trust’ and ‘reputation’ to function successfully.¹⁷ In ‘social terms’ credit referred to ‘the reputation for fair and honest dealing’ that maintained a wide variety of ‘interpersonal obligations’, loans, and financial transactions.¹⁸ Politically, credit and status were vital for election to a prominent position. Commercially, individuals were required to ‘defend and maintain’ their reputation to forge business connections and make successful deals, particularly when conducting overseas trade.¹⁹ Financially, bankers were reliant

¹⁰ De Krey, *London and the Restoration*, *op. cit.*, 148, 131, 135, 140, 149, 150, 413.

¹¹ *ibid.*, 150.

¹² P. Bourdieu, ‘The Social Space and the Genesis of Groups’, *Social Science Information* 24, 2 (1985), 196.

¹³ P. Thompson, ‘Field’ in M.J. Grenfell (ed.), *Pierre Bourdieu: Key concepts* (2nd edn, Oxford, 2014), 68.

¹⁴ M.J. Braddick and J. Walter, ‘Introduction. Grids of power: order, hierarchy and subordination in early modern society’ in M.J. Braddick and J. Walter (eds), *Negotiating Power in Early Modern Society. Order, hierarchy and subordination in Britain and Ireland* (Cambridge, 2010), 11-12.

¹⁵ Bourdieu, ‘Social Space’, *op. cit.*, 196, 197, 205; J.B. Thompson, ‘Editor’s Introduction’ in P. Bourdieu, *Language and Symbolic Power*, trans. R. Nice (Cambridge, 1992), 14; Braddick and Walter, *op. cit.*, 13.

¹⁶ Bourdieu, ‘Social Space’, *op. cit.*, 197.

¹⁷ C. Muldrew, *The Economy of Obligation. The culture of credit and social relations in early modern England* (Basingstoke, 1998), 149, 152.

¹⁸ *ibid.*, 148, 123.

¹⁹ P. Gauci, *The Politics of Trade. The overseas merchant in state and society, 1660-1720* (Oxford, 2001), 80, 86; L. Fontaine, *The Moral Economy. Poverty, credit, and trust in early modern Europe* (Cambridge, 2014), 248.

on their reputation and the same public ‘trust’ as merchants and politicians to succeed. This was most evident in their use of written financial instruments and paper notes rather than specie, which – if ‘issued by a reputable source’ and ‘backed by a considerable asset’ – would ‘instil the same level of confidence as a full-weight coin.’²⁰ In the case of all three roles, ‘Financial losses could always be recouped, but reputation was much more precious.’²¹

The benefits of inhabiting multiple roles in different fields to enhance and individual’s reputation, status, and political and economic power has been emphasized by various historians.²² This is particularly the case regarding merchant-politicians, who used ‘political networks ... to promote their material interests’.²³ What historians have not done is explore the reverse: namely the potential for officeholding and public activity to deconstruct and destabilize economic and social credit. For an individual to succeed in multiple fields, they had to maintain good credit. However, this difficult task required constant attention. The spread of news, by both print and word of mouth around London, meant public figures were subject to increased levels of rumour and gossip.²⁴ Therefore, credit functioned through the ‘collective judgement’ of society, which evaluated individuals not only on their wealth but also on their personal qualities.²⁵ As such, there was a ‘hypersensitivity’ to ‘slur’ and a ‘vital interest’ in maintaining ‘honour’.²⁶ This also affected the late-seventeenth-century financial and trading markets which, Miles Ogborn has argued, were incredibly receptive to ‘rumour and manipulation’.²⁷ Therefore, as well as having the potential to bolster reputation and trust, multiple roles in different fields could also increase the risk inherent in roles that were reliant on reputation. It is precisely such risks that the case study of the bank of Thompson and Company reveals.

Information about the bank and the bankers is limited. The ledgers, account books, and papers of the bank were destroyed or lost by the partners following their bankruptcy, which helps to explain why the bank has never been the primary focus of existing scholarship. To reconstruct the bank and its collapse, a variety of materials have been used. The core pieces of evidence are Chancery Court cases, taken out by or against the partners from 1676 to 1684. Chancery records have been widely recognized

²⁰ C. Wennerlind, *Casualties of Credit. The English Financial Revolution, 1620-1720* (Cambridge, 2011), 84; E. Kerridge, *Trade and Banking in Early Modern England* (Manchester, 1988), 71.

²¹ P. Gauci, *Emporium of the World. The merchants of London 1660-1800* (London 2007), 101.

²² Gauci, *Politics of Trade, op. cit.*, 78-80, 86; D. Ormrod, *The Rise of Commercial Empires. England and the Netherlands in the Age of Mercantilism, 1650-1770* (Cambridge, 2003), 35; N. Zahedieh, *The Capital and the Colonies. London and the Atlantic economy, 1660-1700* (Cambridge, 2010), 56-7; S.C.A. Pincus, *Protestantism and Patriotism. Ideologies and the making of English foreign policy, 1650-1668* (Cambridge, 1996), 449; R. Brenner, *Merchants and Revolution. Commercial change, political conflict, and London’s overseas traders, 1550-1653* (Cambridge, 1993), 79, 199, 200, 222; B.G. Carruthers, *City of Capital. Politics and markets in the English Financial Revolution* (Chichester, 1996), 12, 18, 27; A.L. Murphy, *The Origins of English financial markets. Investment and speculation before the South Sea Bubble* (Cambridge, 2009), 7.

²³ Zahedieh, *op. cit.*, 56.

²⁴ K. Wrightson, *Earthly Necessities. Economic lives in early modern Britain* (London, 2000), 301; Pincus, *Protestantism and Patriotism, op. cit.*, 276.

²⁵ P. Bourdieu, *The Logic of Practice*, trans. R. Nice (Cambridge, 1992), 119.

²⁶ *ibid.*

²⁷ M. Ogborn, *Indian Ink. Script and print in the making of the English East India Company* (London, 2007), 167.

as a highly underused and yet incredibly rich source of information.²⁸ Some of the Chancery records have been examined previously in relation to the bank, most notably in an article by Fred Tupper.²⁹ However, many more records have since been uncovered.³⁰ In addition to Chancery records there is a pamphlet written by the partners in 1677 called *The Case of Richard Thompson and Company*, in which they recounted the formation and operation of the bank and defended their actions prior to their bankruptcy. Pamphlets like Thompson and Company's appear to have been relatively common in cases of bankruptcy, with both Emily Kadens and Aaron Graham citing defensive pamphlets in the same 'case of' formula in their respective studies of bankruptcy cases at law.³¹ However, neither Chancery records nor the pamphlet can provide the whole picture. This article, therefore, consults a much wider range of source material including state and personal correspondence, Privy Council records, East India Company records, Venetian state papers, and newsletters.

The argument divides into three sections. First, using Chancery complaints and answers the article introduces the bank and the key elements of its operation. It highlights the financial and commercial roles of the partners and briefly recounts their bankruptcy. Secondly, it examines the partners themselves, focussing predominantly on Richard Thompson and Edward Nelthorpe's political roles. Finally, it turns to examine the reasons behind the collapse of the bank, analysing political and commercial disputes experienced by the partners in the years 1675 to 1678. It demonstrates the power of reputation and the risk attached to occupying multiple roles in the intertwined and often overlapping fields of commerce, politics, and economics in seventeenth-century London.

I

In January 1671, trading partners Richard Thompson and Edward Nelthorpe agreed with John Farrington and Edmund Page that the estates they had accrued would be combined to form a 'joynt Banke'.³² This was to be a variation on an early deposit bank, similar to that of the most well-known seventeenth-century banking institution, the goldsmith-bank.³³ Like goldsmith-bankers, Thompson and Company would be in the business of 'the borrowing & taking up of money at interest from diverse persons' using the system of gold-based fractional reserve banking.³⁴ This essentially involved loaning out more money in paper-form than the amount actually held in the bank in physical coin – the percentage of gold and silver coin kept as a reserve to satisfy the demands of those who wished to withdraw.³⁵ Fractional

²⁸ C.W. Brooks, *Law, Politics and Society in Early Modern England* (Cambridge, 2008), 12, 307; C. Churches, 'Business at Law: retrieving commercial disputes from eighteenth-century Chancery', *The Historical Journal*, 43, 4 (Dec. 2000), 938, 944.

²⁹ Tupper, *op. cit.*, 367-392.

³⁰ Of primary importance for this study is TNA, *Chancery*, C 8/296/106, Terrey v Nelthorpe.

³¹ E. Kadens, 'The Pitkin Affair: a study of fraud in early English bankruptcy', *American Bankruptcy Law Journal*, 84, 4 (Sep. 2010), 483-570; A. Graham, 'Military Contractors and the Money Markets, 1700-15' in A. Graham and P. Walsh (eds), *The British Fiscal-Military States 1660-c.1783* (London, 2016), 83-112.

³² TNA, *Chancery*, C 7/581/73, Farrington v Thompson.

³³ Muldrew, *op. cit.*, 115.

³⁴ TNA, C 7/581/73.

³⁵ H.W. Snarr, *Learning Macroeconomic Principles using MAPLE* (New York, 2014), 100-101; Richard Thompson and Company, *The Case of Richard Thompson and Company. With relation to their creditors* (London, 1677), 3-4.

reserve solved two issues. First, paper instruments were far more convenient than transferring coin.³⁶ Second, it alleviated the currency shortage in England by providing an alternative paper-based format.³⁷ During the seven active years of the bank, the partners claimed to have taken at interest from 'severall persons in & about London' amounts of 'ten thousand pounds & upwards', and did also 'lend & pay' sums of money to others.³⁸

Alongside the bank, the partners permitted themselves to continue their own trading interests. They acted as a merchant partnership, regulated by a set of articles of agreement stipulating the terms of the joint trade and the partners' joint accountability for profit and loss.³⁹ This was aided by the fact that they allowed themselves to borrow money from their own bank. These loans were allowed under the caveat that they were 'wholly obliged themselves to repay to the said generall Banke the principall money ... with interest'.⁴⁰ The partners' pamphlet lists their trading interests as 'Wine, that of Silk, that to Russia, parts of East-India Shipping, the private Trade to East-India, Lead-Mines, the Irish Manufactures, Exchange, &c.'⁴¹ The court cases additionally record trade with 'Spaine Italy Portugall & France', specifically mentioning factors or agents in Naples, Leghorn, Genoa, Wales, Lisbon, Port St Mary, and Fort St George.⁴² Prior to the collapse of the bank in 1677, Farrington and Nelthorpe also invested money in William Penn's colonial venture in West New Jersey.⁴³ Therefore, the 'company' was a hybrid between a gold-based fractional reserve bank and a merchant partnership.

Just one year after Thompson and Company began trading, in January 1672, a large proportion of goldsmith-bankers broke following the Stop on the Exchequer, when the crown stopped repayment of its debts causing a 'general impairment of credit' in the capital.⁴⁴ However, Thompson and Company were exempt from the Stop as they were neither goldsmith-bankers nor crown lenders. The partners stated that despite 'the Calamity which about a year after fell upon Bankers' in the Exchequer, their 'Creditors continued the more their former Confidence in us'.⁴⁵ Indeed, it was more than a general atmosphere of 'impairment' that caused the downfall of Thompson and Company. Their unique business model meant that they were exempt from the runs on the banks that affected the goldsmiths and could even have benefited from new business as individuals looked for alternative financial outlets.

In 1678, the bank of Thompson and Company collapsed, having struggled against petitioning creditors since 1675. In their own pamphlet, written in 1677, they stated that the first run on the bank – a process where many creditors request a return of their funds all at once – was around Michaelmas 1675.⁴⁶ They managed to keep trading until the following March, but had used up all their reserve funds to pay off petitioning creditors and so 'found it necessary' to call a meeting with their creditors.⁴⁷ In this meeting, they offered their creditors a composition – a standard practice whereby debtors offered an

³⁶ *ibid.*

³⁷ Wennerlind, *op. cit.*, 100.

³⁸ TNA, *Chancery*, C 6/249/35, Farrington v Foach.

³⁹ TNA, C 7/581/73.

⁴⁰ *ibid.*

⁴¹ Thompson and Company, *op. cit.*, 4.

⁴² TNA, *Chancery*, C 6/526/178, Farrington v 'unknown'; TNA, *Chancery*, C 10/484/71, Farrington v Nelthorpe.

⁴³ Dzelzainis, *op. cit.*, 20-25.

⁴⁴ J.K. Horsefield, 'The "Stop on the Exchequer" revisited', *The Economic History Review* 35, 4 (Nov. 1982), 523.

⁴⁵ Thompson and Company, *op. cit.*, 3.

⁴⁶ *ibid.*, 6.

⁴⁷ *ibid.*, 7.

agreement to settle the debt outside of court – to pay the principal debt without interest. Whilst some creditors accepted the offer to settle informally, others persisted with threats of legal prosecution.⁴⁸ In early 1677 the partners offered another composition, this time offering 6s 8d per pound for the remaining debt. However, this too was rejected by certain creditors and by 1678 three statutes of bankruptcy had been taken out against the bank. At this point, partners Farrington and Page were out of the picture. In June 1677, Page had died ‘suddenly’ in Woolchurch Market, and Farrington had been arrested and was held in the King’s Bench prison.⁴⁹ Thompson and Nelthorpe, however, had fled into hiding to avoid their petitioning creditors. Their additional roles in public life will now be outlined further.

II

Thompson and Nelthorpe were both religious nonconformists or dissenters: ‘Protestants who refused to worship with the Church of England as it had been re-established in 1662.’⁵⁰ Their immediate political involvement was in the Corporation of London, the City’s governing body consisting of a Lord Mayor who was elected annually from the Court of Aldermen, 26 aldermen who held office for life, and a Common Council of annually-elected citizens from each ward of the City.⁵¹ Thompson and Nelthorpe were both common councillors: Thompson was elected in 1669 and Nelthorpe in 1671.⁵² Although the Court of Aldermen was ‘the most important municipal decision-making body’, a position on the Common Council still signified that Thompson and Nelthorpe were very much part of a ‘civic elite.’⁵³ Their positions became more prominent and more hazardous through their involvement from 1673 onwards in a nonconformist opposition group consisting of common councillors and city officials who opposed the strict regulations placed on the Corporation in the Uniformity and Corporation acts of 1662.⁵⁴ This division was largely a result of the failed Declaration of Indulgence in 1672, which by 1673 had become ‘a watershed in the histories of Restoration Anglicanism and dissent.’⁵⁵

Within this ‘civic opposition’, Thompson and Nelthorpe, along with the Chamberlain of London Sir Thomas Player, became ‘pivotal figures.’⁵⁶ They caused disputes in the Corporation, as the Court of Aldermen and successive Lord Mayors tried to enforce Anglican conformity in the City. Thompson was involved in opposition circles to a greater extent than Nelthorpe in the early years. In 1673 Thompson was part of a new ‘grievance committee’, which produced a petition to the King addressing issues within the City.⁵⁷ The petition caused a rift between the Common Council and Court of Aldermen who felt the

⁴⁸ *ibid.*, 11.

⁴⁹ Brooke, *op. cit.*, 243; C 7/581/73.

⁵⁰ J. Spurr, ‘Later Stuart Puritanism’ in J. Coffey and P.C.H. Lim (eds), *The Cambridge Companion to Puritanism* (Cambridge, 2008), 90.

⁵¹ G.S. De Krey, *A Fractured Society. The politics of London in the first age of Party, 1688-1715* (Oxford, 1985), 10.

⁵² J.R. Woodhead, *The Rulers of London 1660-1689* (London, 1965), 161, 119.

⁵³ Brenner, *op. cit.*, 81; Gauci, *Politics of Trade, op. cit.*, 79.

⁵⁴ De Krey, *London and the Restoration, op. cit.*, 71-73, 87, 93, 129, 131, 134.

⁵⁵ *ibid.*, 124-125.

⁵⁶ *ibid.*, 148.

⁵⁷ ‘Letters addressed from London to Sir Joseph Williamson while plenipotentiary at the congress of Cologne in the years 1673 and 1674, Volume 1’, *Camden New Series* 8, 113-114.

committee had overstretched their authority in an attempt to gain more power.⁵⁸ By November 1674 Nelthorpe was active within the same opposition groups, and he and Thompson were assigned to a committee to ‘consider and informe themselves out of the records of this City of the respective priviledges of the Lord Maior and Aldermen and of the Commons in Common Councill’ particularly ‘in making Laws’ and to ‘make report’.⁵⁹ The committee intended to promote the authority of the Common Council within the Corporation, increasing their decision-making ability and involvement in elections.⁶⁰ Such activity earned Thompson and Nelthorpe powerful enemies, particularly Sir John Robinson, whose job it was, over the 1660s and 1670s, to root out nonconformists and bring ‘quiet’ to the City.⁶¹

These factional divisions extended beyond the Corporation of London into national politics.⁶² In the House of Commons and House of Lords, divided parties became known as the ‘Court Party’ and the ‘Country party’. On the one hand, Anglican civic leaders joined forces with the parliamentary ‘Court Party’, creating a distinct group based on Anglican conformity and the punishment or disenfranchisement of dissenters. On the other hand, the ‘civic opposition’ joined forces with the parliamentary ‘Country Party’ and campaigned for the toleration of Protestant dissenters alongside the rejection of Papists. In this regard, Thompson and Nelthorpe’s close friendship and kinship with Andrew Marvell provided a useful connection to the ‘Country Party’. Thomas Player provided another link through his association with the earl of Shaftesbury, Anthony Ashley Cooper, who similarly turned to opposition politics around 1673 after being dismissed as Lord Chancellor and then dismissed from the Privy Council in May 1674.⁶³ Thereafter, Shaftesbury became a leading opposition figure and held regular meetings with the ‘civic opposition’ leaders: Thompson, Nelthorpe, and Player.⁶⁴ Thus, Thompson and Nelthorpe’s circle of influence and power grew outside of the immediate confines of the Corporation of London.

However, the partners’ political involvement also attracted enemies with greater powers. Their chief enemy within the civic community, Sir John Robinson, was allied with court politicians Thomas Osborne, earl of Danby, and Sir Joseph Williamson. Danby had been appointed Lord Treasurer in October 1673, a month before Shaftesbury’s dismissal – an appointment Douglas Lacey claims was ‘portentous to all Dissenters’ as the laws restricting dissenters’ activity in public life were heightened following his appointment.⁶⁵ Williamson was a ‘prominent figure’ in Restoration intelligence, holding the post of under-secretary to the Secretary of State and then Secretary of State from 1674.⁶⁶ From the mid-1670s Williamson was ‘caught up in Danby’s plans’ and ‘became almost obsessed about the loyalty of

⁵⁸ De Krey, *London and the Restoration*, *op. cit.*, 135

⁵⁹ London Metropolitan Archives [hereafter LMA], COL/CC/01/01/046, *Court of Common Council*, Journal 48, 123, 129, 144; LMA, COL/AD/01/49, *Corporation of London Administration*, ‘Letter Book YY’, 71.

⁶⁰ De Krey, *London and the Restoration*, *op. cit.*, 137.

⁶¹ P. Seaward, ‘Robinson, Sir John, first baronet (bap.1615, d.1680)’, *Oxford Dictionary of National Biography* (subsequently ODNB), <https://doi.org/10.1093/ref:odnb/37904> [accessed 10 December 2018].

⁶² D.R. Lacey, *Dissent and Parliamentary Politics in England, 1661-1689. A study in the perpetuation and tempering of Parliamentarianism* (New Brunswick, 1969), 73; B. Weiser, *Charles II and the Politics of Access* (Suffolk, 2003), 74-75; De Krey, *London and the Restoration*, *op. cit.*, 117.

⁶³ K.H.D. Haley, *The First Earl of Shaftesbury* (Oxford, 1968), 328, 342, 364; W.D. Christie, *A Life of Anthony Ashley Cooper First Earl of Shaftesbury 1667-1683* (Reprint - Massachusetts, 2005), vol. 2, 154, 197-198.

⁶⁴ TNA, *State Papers, Domestic*, Charles II, vol, 17, no. 43; TNA, *State Papers, Domestic*, Charles II, vol, 17, no. 39.

⁶⁵ Lacey, *op. cit.*, 71, 72; Weiser, *op. cit.*, 73; De Krey, *London and the Restoration*, *op. cit.*, 142-143.

⁶⁶ A. Marshall, *Intelligence and Espionage in the Reign of Charles II, 1660-1685* (Cambridge, 1994), 3, 30, 37, 44.

the increasingly resilient urban dissenting population', keeping extensive intelligence notes gathered by agents in the City.⁶⁷ For these political leaders, Thompson and Nelthorpe were disruptive figures whose removal from the Corporation became a priority.

The King also played a role in these 'Court' and 'opposition' divisions. De Krey and Brain Weiser suggest that, from 1673 onwards, the King gradually sided more and more with Anglican factions and supported the 'Court Party'.⁶⁸ However, Charles's main concern in this period was financing foreign warfare, leaving him open to either faction depending on who could provide much-needed capital. That the King maintained an open dialogue with opposition factions is evident from his meetings with the civic opposition leaders throughout the 1670s. In 1675 Sir Joseph Williamson noted that Player, Thompson and Nelthorpe 'still own that they come and drink now and then with the King at Will Chiffinch's'.⁶⁹ Additionally, the banking partners were described as possessing the 'particular favour' of the King.⁷⁰ L.N. Wall suggested that this favour could have arisen from Thompson and Nelthorpe having 'a hand in' a loan of £40,000 to the monarch, which was supplied by City nonconformists in 1670.⁷¹ This gesture was most likely intended to tempt Charles towards a policy of religious toleration, such as the unsuccessful Declaration of Indulgence of 1672. However, neither Thompson nor Nelthorpe's name appear in De Krey's list of subscribers to the loan.⁷² Instead, it appears that this favour originated through their friend and political ally Sir Thomas Player, who was one of the King's regular drinking partners.⁷³ That is not to say, though, that the King was not looking for loans from City nonconformists. It is possible that Charles hoped to use Thompson and Nelthorpe's influential position in dissenting circles to sway the minds and pockets of the nonconformists to his cause – particularly as Parliament became increasingly less willing to provide funds for the Third Anglo-Dutch War.⁷⁴ The partners' political activism, connections to parliamentary court politics, and relationship with the King would be highly significant for the fate of the bank.

III

The risk caused by the partners' multiple roles came to a head in 1675, when the partners encountered political and commercial difficulties. Commercially, the partners ran into conflict with the East India Company (EIC) in 1673 and another group of merchants in 1675, which resulted in legal challenges. Politically, relations within the Corporation of London and in national politics had become increasingly

⁶⁷ *ibid.*, 63; De Krey, *London and the Restoration*, *op. cit.*, 119.

⁶⁸ De Krey, *London and the Restoration*, *op. cit.*, 144-145; Weiser, *op. cit.*, 4, 37, 74.

⁶⁹ TNA, *State Papers, Domestic*, Charles II, vol, 17, no. 43

⁷⁰ 'Letters addressed from London to Sir Joseph Williamson while plenipotentiary at the congress of Cologne in the years 1673 and 1674, Volume 2', *Camden New Series* 9, 45.

⁷¹ Wall, *op. cit.*, 205.

⁷² De Krey, *London and the Restoration*, *op. cit.*, 403-411, 123.

⁷³ G.S. De Krey, 'Player, Sir Thomas (d. 1686)', *ODNB* <http://www.oxforddnb.com/view/article/22364> [accessed 10 December 2018].

⁷⁴ S.C.A. Pincus, 'From Butterboxes to Wooden Shoes: The shift in English popular sentiment from Anti-Dutch to Anti-French in the 1670s', *The Historical Journal* 38, 2 (Jun. 1995), 344-345, 351; J.R. Jones, *The Anglo-Dutch Wars of the Seventeenth Century* (Essex, 1996), 199, 209; 'Calendar of State Papers Relating to English Affairs in the Archives of Venice, Volume 38, 1673-1675', *British History Online* <http://www.british-history.ac.uk/cal-state-papers/venice/vol38> [accessed 7 December 2018], 200.

tense. The ‘civic opposition’ had caused trouble within the Corporation and their ‘Country Party’ allies had caused similar disruption in the houses of Parliament. The coinciding of these commercial and political struggles, I argue, gave powerful individuals and opponents an opportunity to discredit the banking partners by using their commercial misfortune as an excuse to cast doubt on their financial abilities and eject them from the Common Council. The partners’ pamphlet gives no specific reason for the collapse of the bank, only stating that the partners encountered ‘Affronts and Unkindnesses’, ‘Calumny’, and pursuit by ‘enemies’.⁷⁵ Whilst these insinuations could be viewed as mere excuses on the partners’ behalf, the fact that the collapse of the bank coincided with commercial and political discontent suggests otherwise.

Disputes could cause problems through public discourse, which travelled quickly in the trading circles of London. In Restoration London this discourse largely took place in the coffeehouses, which were prominent venues for political discussion. The importance of coffeehouse culture for political factionalism was evident when the government attempted to suppress the coffeehouses in 1676, hoping to prevent the spread of ‘false or failed news’ and their use as meeting places.⁷⁶ Indeed, Shaftesbury held regular meetings at coffeehouses, with Williamson recording that he ‘vents out all his thoughts and designs’ at ‘John’s coffeehouse.’⁷⁷ Thompson too was a regular at coffeehouses, as is evident from Farrington’s Chancery complaint in 1684 in which Farrington partially blamed Thompson’s political activities for the bank’s collapse. He claimed Thompson ‘was by day at coffee houses & other public places & that he spent his time in publick matters & in heareing & telling unto’, regarding his political duty higher than ‘his duty & engagement to mind the said office or banke’.⁷⁸ Whilst this was clearly intended to weaken Thompson’s position in Chancery, the comment further illuminates the intimate relationship between political and commercial fields.⁷⁹ Commerce and finance were also popular topics of conversation in the coffeehouse. This was dangerous because a ‘casual remark’ could cause ‘creditors to suspect that their debtor had no “bottom” and to close in quickly for repayment.’⁸⁰ Therefore, coffeehouses became a vital aspect of politics, finance, and commerce, with the power to both build and destroy reputations.

Thompson and Company’s pamphlet suggests that public discourse played a role in their collapse, emphasizing the public nature of their predicament. The pamphlet itself is evidence that they had to justify themselves to a wider, print consuming, community of readers who were aware of their situation. In addition to coffeehouses, the seventeenth century witnessed a growth in ‘commercial publications’, which had a profound impact on a society that was increasingly literate.⁸¹ Therefore, print played an important part in making issues of ‘economic activity’ and ‘the fortunes and reputations of private individuals ... into issues of public concern and national interest’.⁸² The pamphlet argues that

⁷⁵ Thompson and Company, *op. cit.*, 11, 14, 15.

⁷⁶ British Library (subsequently BL), MS 636/29 *Verney Manuscripts*, ‘Sir Ralph Verney to his son’, 30 December 1675; BL, MS 636/29 *Verney Manuscripts*, ‘Sir Ralph Verney to his son’, 3 January 1676; LMA, COL/CC/01/01/046, *Court of Common Council*, Journal 48, 189; Haley, *op. cit.*, 403; De Krey, *London and the Restoration*, *op. cit.*, 150;

⁷⁷ TNA, *State Papers, Domestic*, Charles II, vol, 17, no. 43.

⁷⁸ TNA, C 7/581/73.

⁷⁹ *ibid.*

⁸⁰ P. Earle, *The Making of the English Middle Class. Business, society and family life in London, 1660-1730* (London, 1989), 120.

⁸¹ N. Glaisyer, *The Culture of Commerce in England, 1660-1720* (London, 2006), 5.

⁸² Ogborn, *op. cit.*, 160.

certain creditors ruthlessly pushed the bank into returning their whole deposit, but they were still 'not satisfied to enjoy the fruits of their victory, unless they proclaimed them all abroad, and in all places published the Particulars.'⁸³ This was done through 'Letters, and in their daily discourses', and the perpetrators, the partners claimed, 'would never cease till they had infected in a manner the whole Town with a Belief of our insufficiency.'⁸⁴ The partners' commercial and political difficulties clearly became public knowledge, and with devastating consequences.

Commercially, the partners first encountered trouble in 1673 over a contract for prize goods in the Third Anglo-Dutch War. The contract concerned four Dutch East India ships captured during the English retaking of St Helena from the Dutch in September 1673.⁸⁵ Such captured ships and goods were known as 'prizes' and were specifically defined as goods or vessels of a 'belligerent' captured during warfare by 'the maritime force'.⁸⁶ The taking of prize was regulated by the Prize Courts, which were assembled in wartime under the jurisdiction of the High Court of Admiralty and followed the civil law, rather than the common law of England.⁸⁷ In the court, a judge and commissioners would deem each capture legal or illegal, and once declared lawful the goods became crown property and the Privy Council dealt with appeals.⁸⁸ In 1673, the four captured Dutch ships were considered lawful prize and it was largely anticipated that the EIC, which already had the ships in its warehouses, would be commissioned to sell them. Newsletters record that the prizes contained 'pepper, salt peter, cloath, some silks, and severall other Rich east India comodities adjudged alreadie to be worth abote 800000Li'.⁸⁹ These were products and commodities that the EIC already had 'magazines full' of, being part of their monopoly, which 'if they got into the hands of others they would cause notable prejudice to the company by being sold at a low price.'⁹⁰

However, on 13 October 1673 East India merchant John Paige wrote to Williamson that he had 'just had notice how his Majesty has disposed of his East India prizes on private contract', taking the prizes out of the hands of the EIC.⁹¹ Paige remarked 'I wish it may prove to his advantage, though I doubt it'.⁹² Later that month the minutes of the EIC confirmed the sale and recipient of the contract, recording that they were 'to sell & dispose' of the prizes to 'Mr Nelthorp & his partners', the King having 'thought fit to dispose of the Goods by private contract' – selling in bulk at a set price.⁹³ In contrast, the EIC would sell the goods by public auction.⁹⁴ This practice, it was argued, would allow everyone to access

⁸³ Thompson and Company, *op. cit.*, 13.

⁸⁴ *ibid.*

⁸⁵ Jones, *op. cit.*, 212.

⁸⁶ Viscount Tiverton, *The Principles and Practice of Prize Law* (London, 1914), 2, 7.

⁸⁷ S. Musa, 'Tides and Tribulations: English Prize Law and the law of nations in the seventeenth century', *Journal of the History of International Law* 17, 1 (Aug. 2015), 48, 49, 57; G.E. Aylmer, *The Crown's Servants. Government and civil service under Charles II, 1660-1685* (Oxford, 2002), 60.

⁸⁸ Musa, *op. cit.*, 80, 74; Tiverton, *op. cit.*, 3.

⁸⁹ Library of Congress, Manuscript Department: MSS97733, *London Newsletters Collection*, London 23 August 1673.

⁹⁰ *ibid.*

⁹¹ TNA, *State Papers, Domestic*, Charles II, vol, 15, no. 106; BL, IOR/B/32, 152.

⁹² TNA, *State Papers, Domestic*, Charles II, vol, 15, no. 106.

⁹³ BL, IOR/B/32, 151, 155.

⁹⁴ G. Malynes, *Consuetudo, vel lex mercatoria, or the ancient law-merchant* (London, 1622), 201-203.

the goods and maintain a steady price, as the Company would only put up for auction the amount of goods necessary to meet demand without overstocking or understocking the market.⁹⁵

That Thompson and Nelthorpe managed to obtain the contract is remarkable. Shavana Musa argues that, throughout the seventeenth century, the monarch had a unique relationship with the EIC regarding prizes, using charters to allow 'for the production of revenue that in essence transcended the authority of Parliament.'⁹⁶ Musa explains that 'the lucrative financial shares that the sovereign, commanders and company would receive was so high that the Admiralty Court back home would regularly take orders from Council to be lenient on the company.'⁹⁷ The mutual benefit arising from prizes meant that the monarch needed to appease the Company to enrich all their pockets. Thompson and Nelthorpe managed to alter this established process through personal favour, which demonstrates their power and influence within the court, the strength of their commercial reputations, and further shows how power or capital in the political field could influence actions in the commercial field.

However, this established and lucrative practice also makes it less surprising that the contract did not remain in Thompson and Nelthorpe's hands for long. Just days after the partners obtained the contract, a rumour circulated that 'the King will loose 90,000l.' by his decision.⁹⁸ Furthermore, the EIC had 'given out' publicly that 'the Goods were sold for less by 33,700^{li} than they would have been' had they sold them.⁹⁹ The Company also petitioned the Lords commissioners for Prizes, which resulted in the reassignment of the contract. In November 1673, Robert Yard reported to Williamson that 'The East India Company have sold all the prize goods for 45,000^{li} more than was contracted for with Thompson and the rest of his company'.¹⁰⁰ The conflict over the prize contract became public knowledge. The EIC's minutes show that the King decided to reassign the contract in order to avoid 'publique clamour'.¹⁰¹ This public knowledge is further evident from reports of the prizes in the London Gazette newspaper, and from newsletters concerning the 'discourse' of the 'citizens of London' who, according to Sir Thomas Player, were discussing 'how these prizes may be disposed to the best advantage.'¹⁰² Economically, however, the bank partners were not entirely ruined. Charles's failure to 'perform the action promised' meant Thompson and Nelthorpe had a legal claim to 'recompense of the damage ... suffered' and were awarded £10,000 compensation for their troubles.¹⁰³

However, the conflict over the prizes did not end in 1673. It re-emerged with greater vigour in July 1675, just before the first run on the bank in September 1675.¹⁰⁴ No longer involving the EIC, the renewed conflict concerned four Jewish merchants – Francisco Terrezy, Antonio Gomez Serra, Gomez Rodrigues and Jacob Aboab – who claimed they were owed a percentage of the £10,000 compensation.

⁹⁵ Anon, *An Answer to Two Letters concerning the East-India Company* (London, 1676), 5; Anon, *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), 11.

⁹⁶ Musa, *op. cit.*, 74.

⁹⁷ *ibid.*

⁹⁸ 'Letters addressed from London to Sir Joseph Williamson, Volume 2', 45.

⁹⁹ BL, IOR/B/32, 155.

¹⁰⁰ 'Letters addressed from London to Sir Joseph Williamson, Volume 2', 82.

¹⁰¹ BL, IOR/B/32, 155.

¹⁰² *The London Gazette* 813, 1 September 1673; *The London Gazette* 814, 4 September 1673; 'Letters addressed from London to Sir Joseph Williamson, Volume 2', 16.

¹⁰³ Brooks, *op. cit.*, 317; TNA, C 8/296/106.

¹⁰⁴ Thompson and Company, *op. cit.*, 6.

They petitioned the Privy Council in July 1675, resulting in a hearing at Hampton Court, which, according to the Venetian secretary in England, was ‘considered remarkable’.¹⁰⁵ The Jewish merchants argued that their right to the money derived from an ‘agreement’ with Nelthorpe that they would ‘advance one Moyety of the monies to be paid for the said Prizes’ and in return would ‘bear one Moyety of the Profit or Losse’.¹⁰⁶ To this end, they argued, they delivered ‘ready money & Notes ... and drew other considerable sumes from the Bank of Holland in order to pay the whole’.¹⁰⁷ However, the Privy Council hearing clearly did not provide the desired outcome, and the following year Terrezy and Rodrigues entered a Chancery Court bill against Nelthorpe and Thompson, of which only Nelthorpe and Thompson’s answer to Terrezy’s bill of complaint survives. However, the answer confirms that, at the Hampton Court hearing, ‘Lord Arlington discharged all persons from their attendance declaring hee would doo nothing in that affaire’.¹⁰⁸

Nelthorpe and Thompson’s answer recounts their receiving of the prize contract from the King and the privy seal for the same.¹⁰⁹ Nelthorpe stated that he and Thompson first knew of the goods through Thomas Hawke, a merchant who ‘first propounded the buyeing of the East India goods’ and offered to contact ‘severall Jewes’ to take a ‘share’ of the goods.¹¹⁰ Whilst Serra, Terrezy and Rodrigues declared an interest in the goods, Nelthorpe denied that any ‘proposalls or discourse was done by way of partnership’ but was ‘a bare discourse’, and further argued that their ‘interest’ was in possessing the goods ‘at an undervalue’.¹¹¹ Instead, Nelthorpe and Thompson obtained the funds elsewhere, possibly drawing on their own bank stock and calling in investments and loans. All of which was futile, however, as the King reversed his decision.

Aside from detailing the Jewish merchants’ complaint, the Chancery answer further illuminates the wider ramifications of the loss of the prize contract in 1673 and suggests how this later conflict reignited tensions. According to Nelthorpe, in 1673 the EIC became aware of the Jewish merchants attempted collaboration with Nelthorpe and Thompson and approached the merchants to inform them that the ‘Company was much displeased with them’.¹¹² Subsequently, Sera and Rodrigues told Nelthorpe ‘they were sorry that ever they had treated with him’ and that ‘they would not be concerned to buye any of them or meddle any further in that matter’, fearing that ‘the East India Company would doo them a displeasure of a greater consequence’.¹¹³ However, the EIC did not only threaten the Jewish merchants; they also took direct action against the banking partners. Nelthorpe claimed that the EIC used ‘all ways and meanes to destroy this defendants Creditt’, and, as a result of the Company’s public ‘discourses and perswasions’, some creditors of the bank ‘drew their Cash from him this Defendant and the other defendant Thompson to their very great prejudice and damage’.¹¹⁴ That the partners experienced an economic downturn is evident from John Farrington’s statement to the Chancery Court

¹⁰⁵ ‘English Affairs in the Archives of Venice’, 438-450.

¹⁰⁶ TNA, *Privy Council, Registers*, Charles II, vol, 64, no. 465.

¹⁰⁷ *ibid.*

¹⁰⁸ TNA, C 8/296/106.

¹⁰⁹ *ibid.*

¹¹⁰ *ibid.*; Hawke was later rewarded for his role in the sale of the contract, TNA, *State Papers, Domestic*, Charles II, Entry Book, 170.

¹¹¹ TNA, C 8/296/106.

¹¹² *ibid.*

¹¹³ *ibid.*

¹¹⁴ *ibid.*

in 1684. He argued that the bank ran into difficulties in 1673 as Thompson and Nelthorpe had ‘drawne out a farr greater sune from the said Joynt stock & cash for the carrying on the said Profitable trade betweene them’.¹¹⁵ This ‘trade’ was the prize contract, which was solely in Thompson and Nelthorpe’s names and contracted in 1673. Therefore, it is easy to see how, through public discourse and rumour, the EIC’s commercial actions impacted upon Thompson and Company’s financial business. Reigniting the dispute in the Privy Council and Chancery Court stirred up similar concerns amongst clients of the bank, leading them, once again, to withdraw their funds.

Politically, the Corporation of London witnessed large-scale disruption in 1675. On 20 March, the Venetian Secretary in England wrote to the Doge and Senate describing a ‘violent dispute’ between ‘the Lord Mayor of London and the Common Council’ over who had the right to elect a judge to the Sherriff’s Court, with the councillors arguing that the position had always been ‘in the gift of the Common Council’.¹¹⁶ In the meeting ‘John Dubois, Sir Thomas Player, Edward Nelthorpe, Richard Thompson’ and others made a stand against the decision, to which Lord Mayor Vyner responded by dissolving the meeting.¹¹⁷ Vyner was, however, in a weak position. As a banker and principal lender to the crown, he nearly went bankrupt following the 1672 Stop on the Exchequer and only managed to survive due to borrowing and crown protection.¹¹⁸ Thus, Vyner’s position provided an opportunity for the Common Council to manipulate and threaten the Mayor, ‘compelling [him] ... to withdraw’.¹¹⁹ Secretary Alberti claimed that ‘they will proceed against him to the extent of arrest and imprisonment from which his office does not exempt him’, dishonouring the post of Mayor ‘for the first time and forever’.¹²⁰ In a series of letters written to Secretary Coventry, Danby and Williamson, along with the Lord Keeper Sir Heneage Finch, described the recent disturbance. They claimed that the actions of Thompson, Player and the others were ‘as if they were designed to give a trouble in the Parliament, as they have already done in the Citty’.¹²¹ Secretary Alberti also expressed concerns, writing that although the ‘quarrel’ did not currently ‘extend beyond the city of London’, if ‘people get exasperated there will be disturbances’.¹²² Thus, their political activities were not only a danger within the Corporation of London, but within the national arena too.

Thompson and Nelthorpe’s political situation became even more precarious as the Common Council’s efforts coincided with the 1675 parliamentary session, which ‘transformed’ National politics.¹²³ The main point of dispute was Danby’s Test Act, which required all ‘office-holders to swear an oath against the alteration of government’ – essentially attempting to ‘purge politics’ of dissenters and nonconformists.¹²⁴ This proposal caused uproar in both Houses and led to the King proroguing parliament until 1677.¹²⁵ Therefore, Shaftesbury and other ‘Country party’ leaders ‘turned to the city as

¹¹⁵ TNA, C 7/581/73.

¹¹⁶ ‘English Affairs in the Archives of Venice’, 380.

¹¹⁷ De Krey, *London and the Restoration*, *op. cit.*, 140.

¹¹⁸ G.E. Aylmer, ‘Vyner [Viner], Sir Robert, baronet (1631-1688)’, *ODNB* <https://doi.org/10.1093/ref:odnb/28318> [accessed 10 December 2018]; Horsefield, *op. cit.*, 518-524.

¹¹⁹ ‘English Affairs in the Archives of Venice’, 380.

¹²⁰ *ibid.*

¹²¹ TNA, *State Papers, Domestic*, Charles II, Entry Book, 43, 19.

¹²² ‘English Affairs in the Archives of Venice’, 380.

¹²³ De Krey, *London and the Restoration*, *op. cit.*, 142.

¹²⁴ *ibid.*, 143

¹²⁵ Lacey, *op. cit.*, 77-78.

a substitute arena for challenging the ministry'.¹²⁶ This is evident from the many meetings Shaftesbury held with that 'knot of people in the City'.¹²⁷ The decision to prorogue parliament not only added to the determination of opposition forces, but to Anglican political leaders within the 'Court' faction.¹²⁸ The City of London became the most important battleground for the ongoing political contest, and Thompson and Nelthorpe's political positions, connecting the dissenting 'Country party' and City opposition, took on greater importance and greater risk.

The difficulties encountered by Thompson and Company could be used to the advantage of certain court opponents, particularly Robinson who not only had links in parliament but also in the City's mercantile circles. Alongside his position as 'one of the principal means by which the government sought to influence City politics', Robinson was a City merchant and EIC committee member from 1666-1677.¹²⁹ Therefore, he was well placed to aid the circulation of rumour and gossip in London's commercial circles. That rumour and reputation could have such a significant effect is evident in the fortunes of the 'civic opposition' leaders in 1677.¹³⁰ De Krey has argued that following the failure of the bank, 'Edward Nelthorpe and Richard Thompson were forced to retire from civic affairs' and 'Player and like-minded colleagues were purged from the London lieutenancy commission, and the government attempted to remove Player as Chamberlain.'¹³¹ Whilst acknowledging that Thompson and Nelthorpe were 'forced to retire', De Krey does not link the bank's collapse to the attack on Player and other leaders, and does not recognize the impact of the collapse within the higher court politics of the 'Country Party'.

That such political manipulation took place on the back of the bank's failure is evident from state papers, which demonstrate the wider utility of the bank's collapse to leading Anglican figures. In January 1676, following the successful appointment of a judge to the Sherriff's court, Robinson wrote to Williamson that 'Mr Richardson' had been elected, whom he described as 'an honest Lyall & quiett man.'¹³² He ended the letter with the sarcastic remark that 'the great Honaries Player & Thompson &c. find by demonstration they are not so powerful as they made themselves', as they were proven unable to overthrow the decision of the Corporation.¹³³ Just two months later, in a letter signed off from 'East India House', Robinson informed Williamson that the bankers had 'lost their reputations'.¹³⁴ That this affected other 'opposition' leaders is evident from Robinson's closing statement in which he added, 'I heard the Chamberlain [Player] is diped with the above named' and finished by stating 'wee shall now I hope bee quiett in the Common councill the Leaders faileing'.¹³⁵ Thompson and Nelthorpe were abruptly forced to abandon their political positions, as can be seen in a newsletter written by London merchant John Verney to his father, the MP Ralph Verney, in March 1676, which recounts a 'report about the towne'.¹³⁶ John informed his father of Thompson and Company's failure and stated that at a

¹²⁶ De Krey, *London and the Restoration*, *op. cit.*, 144.

¹²⁷ TNA, *State Papers, Domestic*, Charles II vol, 17, no. 43; TNA, *State Papers, Domestic*, Charles II, vol, 17, no. 39; Lacey, *op. cit.*, 81.

¹²⁸ De Krey, *London and the Restoration*, *op. cit.*, 151-152; Lacey, *op. cit.*, 78-79.

¹²⁹ Seaward, *op. cit.*

¹³⁰ Weiser, *op. cit.*, 109-111.

¹³¹ De Krey, *London and the Restoration*, *op. cit.*, 150.

¹³² TNA, *State Papers, Domestic*, Charles II, vol, 378, no. 169.

¹³³ *ibid.*

¹³⁴ TNA, *State Papers, Domestic*, Charles II, vol, 18, no. 144.

¹³⁵ *ibid.*

¹³⁶ BL, MS 636/29 *Verney Manuscripts*, 'John Verney to Ralph Verney', 16 March 1676.

recent Common Council meeting 'the Recorder Sr John Howell asked where were the two Gentlemen that were wont to sett there (pointing out his finger to Tompsons seate).'¹³⁷ Clearly, the bankruptcy of Thompson and Company had a significant effect on their political reputations, forcing them to leave their positions.

To further ensure Thompson and Nelthorpe would not return to politics, a caveat was added to the rules stipulating the 'Conditions to be observed when electing common councilmen'.¹³⁸ This is evident in a draft and final version of a letter from December 1676 written by Lord Mayor Sir Thomas Davies, which was sent to the aldermen of London.¹³⁹ The finished letter states that the King, in discussion with the Mayor and aldermen, required that the Corporation put 'in Execution within this City An Act of Parliament made in the 13th yeare of his majesties Reigne Entituled An Act for the well Governing & regulating of Corporations'.¹⁴⁰ This act was to be enforced regarding the election of civic officials in the Corporation of London. Whilst the final letter only includes the conditions, in the draft the mayor noted down names next to each one. The condition that read 'noe person that hath summoned his creditors together not being able in due time to pay his debts but forc'd to compound' had 'Thompson' and 'Nelthorpe' written in the margin beside it.¹⁴¹ Underneath was the condition 'noe person That is an officer of the Citty that is bound to give his attendance on my Lord Mayor's person or the Court of Aldermen', with Sir Thomas Player's name noted next to it.¹⁴²

Further evidence of a targeted attack on the opposition leaders, particularly Player, is evident from newsletters. In a letter to his friend Sir Edward Harley in June 1677, Andrew Marvell informed him that in a recent election at 'Common hall' there appeared to be 'an influenced designe ... to out Sir Thomas Playor'.¹⁴³ A newsletter written by Thomas Barnes, an agent working for Secretary Williamson in the 1670s, reveals that this design was in the form of a letter sent to voters.¹⁴⁴ Barnes's letter, which professed to provide the reader with 'some of the present talk in town', reported on a rumour that claimed 'there was a letter sent from above to prevent Sir Thomas from being chosen'.¹⁴⁵ This attempt to oust Player coincided with the approximate date when Thompson and Nelthorpe fled their houses and went into hiding.¹⁴⁶ However, unlike the bankers, Player would be harder to 'out' from the Corporation. Marvell further informed Harley that the attempt was unsuccessful, due to an unexpectedly large turnout of 'fanatics' in support of Player.¹⁴⁷

However, there is further evidence that this attack extended beyond the 'civic opposition' to the 'Country party', particularly one of its leading figures the earl of Shaftesbury. In 1676, due to the turbulent Parliamentary session of 1675, Lord Treasurer Danby had a particular interest in ridding

¹³⁷ *ibid.*

¹³⁸ TNA, *Draft, State Papers, Domestic*, Charles II, vol, 387, no. 123; TNA, *State Papers, Domestic*, Charles II, vol, 387, no. 122.

¹³⁹ *ibid.*

¹⁴⁰ TNA, *State Papers, Domestic*, Charles II, vol, 387, no. 122.

¹⁴¹ TNA, *Draft, State Papers, Domestic*, Charles II, vol, 387, no. 123.

¹⁴² *ibid.*

¹⁴³ *The Poems and Letters of Andrew Marvell*, vol. 2, H.M. Margoliouth, P. Legouis, and E.E. Duncan-Jones (eds) (3rd edn, Oxford, 1971), 352.

¹⁴⁴ TNA, *State Papers, Domestic*, Charles II, vol, 394, no. 177; Marshall, *op. cit.*, 201.

¹⁴⁵ TNA, *State Papers, Domestic*, Charles II, vol, 394, no. 177

¹⁴⁶ TNA, C 24/1069, 'Interrogatory of Edmond Portmans'.

¹⁴⁷ *Poems and Letters of Andrew Marvell*, 352.

Parliament of his ‘opponents’ and managed to obtain the support of the King.¹⁴⁸ In February 1676, when the bank was still operating, Danby convinced Charles that Shaftesbury should be sent to the Tower, as Shaftesbury had been conducting regular meetings with City dissenters and ‘parliamentary opposition’ figures.¹⁴⁹ However, Shaftesbury was not arrested due to Sir Joseph Williamson’s reluctance to sign the warrant for his arrest, Williamson also managing to convince the King to abandon this plan of action.¹⁵⁰ Although unsuccessful, the actions of Danby and the King demonstrate the desire of powerful political leaders to eject Shaftesbury and reduce his influence.

Shaftesbury was connected to the bank through his business interests in London. K.H.D. Haley noted that Shaftesbury’s business interests consisted of a range of landed investments as well as investment in ‘commerce and overseas plantations’.¹⁵¹ De Krey further suggested that those business interests involved Thompson and Company, although he provided no direct evidence to prove it.¹⁵² Williamson’s intelligence notes only recorded that Shaftesbury had ‘20,000*l.* in trade’ which was ‘diffused all over the town.’¹⁵³ However, the newsletter written by John Verney to his father provides the missing evidence. After reporting the bank’s collapse Verney wrote ‘some say Shaftesbury is concerned 8000*li* in their hands’, suggesting this was common knowledge around London.¹⁵⁴ This demonstrates that the collapse of the bank was an even greater opportunity for Thompson and Nelthorpe’s enemies to exploit than previously realized. It was an opportunity to bring ‘quiet’ not only to opposition groups within the Corporation but also to the parliamentary ‘Country Party’. However, like Player, Shaftesbury would prove harder to get rid of than the banking partners would. Indeed, it was not until February 1677, after challenging the legality of the new parliamentary session and failing, that Shaftesbury was arrested and sent to the Tower.¹⁵⁵ In light of Shaftesbury’s potential involvement in the bank, Thompson and Nelthorpe’s involvement in opposition politics becomes even more significant, with the collapse of their bank providing an access point to key figures in both the ‘civic opposition’ and the ‘Country party’.

IV

The collapse of the bank of Thompson and Company illuminates the close relationship between finance, commerce, and politics in Restoration London. Adopting leading roles in each of the three fields, the partners looked to enhance their individual and collective agency. In so doing, however, they adopted risky strategies that ultimately destroyed their political, commercial, and fiscal credit. Financially, the partners embarked on an innovative venture, which was heavily reliant on credit and public opinion. Commercially, they used their power, or capital, to secure lucrative deals that cut across traditional well-established practices. Politically, they took prominent positions in a nonconformist opposition group that tried to increase the power of the common council, alter established procedures, and influence

¹⁴⁸ Haley, *op. cit.*, 405.

¹⁴⁹ *ibid.*

¹⁵⁰ *ibid.*

¹⁵¹ *ibid.*, 404; T. Harris, ‘Cooper, Anthony Ashley, first earl of Shaftesbury (1621–1683)’, *ODNB*, <https://doi.org/10.1093/ref:odnb/6208> [accessed 20 May 2019].

¹⁵² De Krey, *London and the Restoration*, *op. cit.*, 149.

¹⁵³ TNA, *State Papers, Domestic*, Charles II, vol. 379, no. 39.

¹⁵⁴ BL, MS 636/29 *Verney Manuscripts*, ‘John Verney to Ralph Verney’, 16 March 1676.

¹⁵⁵ Haley, *op. cit.*, 417-419

higher politics. Whilst all these roles had the potential to enhance the partners' power, they also increased the risk, with the compromising of one role effecting the capacity to act in others. Therefore, the case of Thompson and Company highlights the socially and politically embedded nature of seventeenth-century finance and the importance of reputation to institutions as well as individuals.

Stepping back a little, some broader lessons about the relationship between social roles, power, and risk in the early modern era can be learned from the fate of Thompson and Company. Historians of early modern England often view offices and roles as devices of power, with a heavy burden or responsibility to maintain that power. However, individuals do not necessarily seek or accept certain roles to reinforce established hierarchies but rather to alter them through bold and divisive strategies. Roles are then inherently risky and some more so than others. In the case of Thompson and Company, the partners occupied and created political and economic roles in order to pursue bold strategies at a peculiarly risky moment in time. Religious conflict between Anglicans and nonconformists fuelled the animosity between civic and Anglican government officials, and the English economy suffered from a lack of credit facilitators. The culture surrounding each role had an additional circumstantial impact on the already inherent risk. The fate of Thompson and Company also points to the limits of Bourdieu's model of fields and capital. According to Bourdieu, an individual can attain a position of authority within a field by behaving according to the rules of the game and accruing capital or power. The partners of Thompson and Company had capital in all three fields, but they nevertheless ended up in prison or in hiding, which suggests that simply accruing power is not enough. The ways in which individuals and groups use their power and capital, and the circumstances in which they do so, are equally significant. Therefore, theories of social action need to pay attention to ideology and agency as well as to power and structure.