

Lloyd's of London: Information and Influence in the Nineteenth Century

by

Hugh Philip Long

**A thesis submitted to the graduate faculty
in partial fulfillment of the requirements for the degree of
Master of Arts in History**

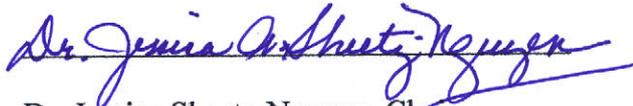
University of Central Oklahoma

2010

THESIS APPROVAL

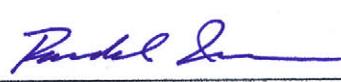
The abstract and thesis of Hugh Philip Long for the Master of Arts in History was submitted to the graduate college in Spring 2010, and approved by the undersigned committee.

COMMITTEE APPROVALS:


Dr. Jessica Sheetz-Nguyen, Chair



Dr. T.H. Baughman



Dr. Randal Ice

Note to the Reader

The newspapers used for this thesis, except the *Times* (London), come from the online database *19th Century British Library Newspapers*, courtesy of the University of Oklahoma and Gale databases. While this source provides full text, it does not include page numbers, so these are lacking in many of the citations. *The Making of the Modern World: Goldsmiths'-Kress Library of Economic Literature 1450-1850* was also invaluable and also provided by Gale databases and the University of Oklahoma. Google Books also facilitated the inclusion of many nineteenth century sources not readily available otherwise.

The author would also like to thank Dr. Jessica Sheetz-Nguyen, Dr. Randal Ice and Dr. T.H. Baughman for serving on the thesis committee and providing valuable feedback and guidance throughout the research and writing process, even before this project began. Taylor Long also generously contributed to the editing process. Appreciation is also due the University of Central Oklahoma, Office of Research and Grants, for providing funding for the ongoing study of Lloyd's, albeit a different facet, that first introduced me to this topic and provided a foundation for my own research.

Table of Contents

Introduction	1
Literature and Source Review	9
Chapter 1: Underwriting and the Rise of Lloyd's	18
Chapter 2: Crisis and Rebirth	39
Chapter 3: Agency and Signal Station Development	63
Conclusion	91
Glossary	96
Bibliography	98

Introduction

Throughout the nineteenth century, an age when British wealth and global power were still firmly entrenched with colonies and commerce, Lloyd's of London and its governing committee cultivated long-standing relationships with the Admiralty and other government bodies through personal, financial, and political networks to secure its dominance in the field of marine insurance. Although Lloyd's, since its founding, has centered much of its efforts on the strategic gathering and distribution of information, not until the nineteenth century did this practice begin to evolve into a major financial and political investment and instrument of power. In 1902, Col. Henry M. Hozier (1838-1907), secretary at Lloyd's, asserted; "The friendly relations established between Lloyd's and the Government have to a considerable extent given Lloyd's a practical monopoly of the collection and distribution and sale of maritime intelligence throughout the world."¹ Hozier's draft confidential memorandum to a corporation sub-committee, near the end of a multi-year series of negotiations with the Admiralty, clearly indicates the extent to which the highly evolved web of physical and personal connections developed by the underwriting house over the century benefited the entity's commercial position.²

¹ Henry M. Hozier, "Commercial Maritime Intelligence in the Further East," Memorandum, Lloyd's of London, 15 July 1902," in Lloyd's of London, *Agenda and Memoranda Considered by Signal Stations Sub-Committee, July, 1902*, npn, MS 31642, Guildhall Library, London, U.K.

² Richard Davenport-Hines, "Hozier, Sir Henry Montague (1838-1907)," in *Oxford Dictionary of National Biography*, ed. H. C. G. Matthew and Brian Harrison (Oxford: Oxford University Press, 2004), <http://www.oxforddnb.com/view/article/48638> (accessed January 11, 2010). As discussed in chapter two, Hozier played an instrumental role not only in sustaining but in promoting a prosperous Lloyd's during the latter half of the nineteenth century. Aside from his personal skills and efforts, his attachment to the naval community and British politics in general, the marriage of his daughter Clementine to Winston Churchill in 1908 further cemented his ties. See Brian Harrison, "Churchill, Clementine Ogilvy Spencer-, Baroness Spencer-Churchill (1885-1977)," in *Oxford Dictionary of National Biography*. All citations from the *Oxford Dictionary of National Biography* are from the online edition.

A string of insurance luminaries, however, preceded Hozier, beginning with the founder and namesake Edward Lloyd (c. 1648-1713), Brook Watson (1735-1807), Joseph Marryat (1757-1824), John Julius Angerstein (1732-1823), William Thompson (1793-1854), and George Joachim Goschen (1831-1907). These men comprise a biographical digest of financiers who led the City of London towards success in the financial services industry, of which, Lloyd's of London played and continues to play a pivotal role. Yet the institution has been remarkably ignored by scholars and is markedly absent in most surveyed works concerning the history of the growth of shipping, the industry that formed the reason for its very existence, and the British Empire. This omission is particularly unwarranted in light of the entity's significant public presence throughout the nineteenth century, not only in government and trade, but also in the lives of sailors, their families, and the popular imagination. For example, when Van Helsing seeks word of the *Czarina Catherine*, a ship bound for the Black Sea with the monster on board in Bram Stoker's 1897 book *Dracula*, he is directed to Lloyd's for information on its progress; excepting the tracking of a supernatural being, this advice would not have been uncommon.³ Even well into the twentieth century, the corporation's global reach found its way onto the silver screen in Tyrone Power's first breakthrough role as a romanticized agent in *Lloyd's of London*.⁴ Despite this hold on the imagination of readers and moviegoers and significant impact on the expansion of Britain's naval and political power, recent scholarship on the subject is largely absent in the field of business, not to mention social history.

³ Bram Stoker, *Dracula* (Charlottesville, VA: University of Virginia Library, 1996), 321, 338-39.

⁴ *Lloyd's of London*, VHS, directed by Henry King (Twentieth Century Fox, 1936).

Insurance, by its very nature, is a secondary enterprise, and that covering the merchant marine is even one step further removed from the actual creation of physical goods, the ultimate object of consumption. As such, the field is inescapably linked to fluctuations in supply and demand, and in the case of Lloyd's, that involving international and inter-colonial shipping. This condition made the business conducted by underwriters both dependent on the fruits of the Industrial Revolution and an integral part of it. Recent estimates by Javier Cuenca Esteban, as cited by Charles More in *Understanding the Industrial Revolution*, suggest that industrial exports, in constant dollars, grew nearly eight times over the eighteenth century and tripled between 1801 and 1831.⁵ This expansion was concurrent with the great increase in profits and risks undertaken by members of Lloyd's, the abolition of a century-old monopoly on corporate marine insurance and increased interest by London's financial elite in joining the field. In the latter half of the century, between 1860 and 1910, new developments in marine technology and communication contributed to a further growth in commerce, as, for example, Britain's trade with Australia grew from £17,100,000 to £60,000,000 a year, and that with South Africa rose from a modest £3,900,000 to a stunning £29,900,000.⁶ This thesis, in examining Lloyd's of London, provides a portrait of a service sector industry vital to the growth of shipping, directly correlated to exports and imports because of the confidence insurance gave to owners and marketers. The industry's successes and failures were mirrored in supply and demand in a period of rapid economic development, innovation, and expansion and of the British Empire. As early as 1902, John Atkinson Hobson critiqued imperialism as an instigator and instrument of conflict.

⁵ Charles More, *Understanding the Industrial Revolution* (New York: Routledge Press, 2000), 89.

⁶ Daniel R. Headrick, *The Tools of Empire: Technology and European Imperialism in the Nineteenth Century* (New York: Oxford University Press, 1981), 168.

He offered an alternative ~~internationalism~~” led by private ~~economic forces~~” that would cooperate in transnational transport and communications whose mechanisms would later evolve into public enterprises. The result would be a ~~weaving~~ [of] an elaborate network of intellectual internationalism, and both economic and intellectual community of needs and interests would contribute to the natural growth of such political solidarity as was required to maintain this real community.”⁷ Unsurprisingly, while Lloyd’s of London did not, in the end, contribute to a unified Europe free from national conflict, the corporation did hold a unique place in international relations. It actively engaged with its own and foreign governments while its communications network greatly contributed to the avoidance and resolution of international claims disputes. Concurrently, its leadership frequently engaged with the public sphere to further corporate interests.

Both Marxist and non-Marxist historians and theorists have approached this era with the assumption that ~~British industrialization~~ caused an overextending and intensifying development of overseas regions,” and few scholars until recently have sought to offer an alternative.⁸ J.A. Schumpeter, one of those dissidents, writing on Germany, instead argued that imperialism was the ~~product~~ of pre-capitalist, especially aristocratic, forces which mobilized the wealth produced by capitalist industry for militarist and imperialist ends.”⁹ P.J. Cain and A.G. Hopkins, in their offering of a third alternative, criticize this latter approach for its focus on simply explaining how these landed classes, as remnants of a less evolved capitalism, engaged in the largely bourgeois

⁷ John Atkinson Hobson, *Imperialism: A Study* (London: James Nisbet & Co., 1902), 384-5. Courtesy of Google Books.

⁸ See P.J. Cain and A.G. Hopkins’ discussion of J. Gallagher and R. Robinson’s 1953 work ~~The Imperialism of Free Trade, 1815-1914~~” in ~~Gentlemanly Capitalism and British Expansion Overseas: I. The Old Colonial System, 1688-1850,~~” *Economic History Review* 39, no. 4 (1986): 501; V.I. Lenin, *Imperialism, the Highest Stage of Capitalism, 1916*. Online, Modern History Sourcebook, Fordham University, <http://www.fordham.edu/halsall/mod/1916lenin-imperialism.html> (accessed 22 February 2010).

⁹ Cain and Hopkins, ~~—Gentlemanly Capitalism,~~” 502.

enterprises of production rather than providing any new approach to the tension between the middle class and traditional social elite during the eighteenth and nineteenth centuries and its influence on the colonial development.¹⁰ They argue this longstanding approach ignores the introduction of new members into the ranks of the political and social elite, particularly as evidenced by those who gained prominence through their involvement in finance. Families founded dynasties, complete with titles, based on service-sector wealth in this period just as had been done centuries earlier through the accumulation of land.¹¹

Cain and Hopkins discard a framework that strictly emphasizes production, regardless of which class drove it, and the growth of the British Empire. Instead, these authors place “non-industrial, though still capitalist” service industries as a primary facilitator of both manufacturing and their subsequent domestic use and international consumption. They assert that a traditional interpretation highlighting family and economic connections among the upper-classes and an aversion to manual labor drove many of the country’s financial and political leaders into fields that fall under the category of “gentlemanly capitalism,” meaning enterprises that allowed for a lifestyle reminiscent of the landed classes, that is, time for leisure and thus leadership.¹² As these scholars clearly articulated, “Working for money, as opposed to making it, was associated with dependence and cultural inferiority.”¹³ Just as education and class gave the pre-industrial elite a social exclusivity that led to strong emotive (class-based) and personal relationships, prominent members of the financial world in the City of London operated in a similar manner, whether they came from traditional landed aristocratic

¹⁰ Cain and Hopkins, “Gentlemanly Capitalism,” 502-3.

¹¹ The Rothschilds and Barings exemplify this tradition.

¹² Cains and Hopkins, “Gentlemanly Capitalism,” 504-5.

¹³ Cains and Hopkins, “Gentlemanly Capitalism,” 505.

families or not.¹⁴ They did not exclusively create wealth through production and trade, but facilitated it, gaining power through their necessary position as sources of capital for industrial manufacturing and commerce. As David Cannadine noted, even the Industrial Revolution created no new groups that challenged the *social* hegemony of the established aristocracy.¹⁵ However, those in control of new sources of wealth, the City of London's elite financiers, found alternative ways to exercise control and secure their economic position, even if it took a new century for them to start posing an overwhelming challenge to the nation's traditional leaders.¹⁶ Many members and leaders of Lloyd's of London epitomized this scenario. They served as a vital connection between production and consumption. To create and maintain their position, these high-placed and well-connected individuals entered into complex relationships with government leaders and each other, thus continuing centuries old traditions of power based on control of assets, including valuable information. In 1974, self-proclaimed Marxist scholar Jurgen Habermas described contemporary changes in the world economy, particularly changing contributors to —surplus values:”

the mode of surplus value production changed from the base, where we have the production of absolute surplus value, over the base where we have the production of relative surplus value, to a position where we now have the production of surplus value by engaging indirect productive type of labour which is not immediately productive in terms of the labour theory of value, *but indirectly productive by producing informations and qualifications which in turn improve the productivity of labour and thereby affect the rate of surplus value and the price of the constant elements in capital.*¹⁷

¹⁴ Cains and Hopkins, “Gentlemanly Capitalism,” 506.

¹⁵ David Cannadine, *The Decline and Fall of the British Aristocracy* (New Haven, CT: Yale University Press, 1990), 13.

¹⁶ Cannadine, *The Decline and Fall of the British*, 13-8, 25-7.

¹⁷ Boris Frankel and Jurgen Habermas, “Habermas Talking: An Interview,” *Theory and Society* 1(Spring 1974): 50. Emphasis mine.

This shift was not new, and the leaders of Lloyd's of London took advantage of intelligence gathering and the resulting business efficiency to consolidate their position in the industry more than 100 years earlier. Even if this particular dialectic approach to history has fallen out of fashion, its inherent focus on the evolution of business practices, national leadership, and control of the economy as factors in historical development is an important backdrop for a discussion of a dominant private corporation with such close connections to power, politics, military action and legislation.

The role of individuals, contacts, and networks has long been understood as a driving force behind the expansion of British commerce, particularly in the late eighteenth and nineteenth centuries. Walter Bagehot (1826-77), writing of joint stock companies in his 1860 work *Lombard Street*, stated –An old-established bank has a „*prästige*,’ which amounts to a „privileged opportunity‘; though no exclusive right is given to it by law, a peculiar power is given to it by opinion.”¹⁸ Lloyd's, while not a joint stock company, did represent a venture for the privileged, with large sums necessary for entrance into the club. Eventually, the underwriting house's leadership exported this social position through appointment of agents in foreign ports. As often-unpaid representatives who regularly held concurrent government positions as consuls and military officers, the corporation relied on the status of the position, and the resulting secondary revenue streams accompanying it, to act as payment for their services. Thus, while the City of London held the core network and relationships necessary for an enterprise as profitable and global as marine insurance, the challenge to traditional notions of wealth and social position through land ownership dissipated throughout the

¹⁸ Walter Bagehot, *Lombard Street* (New York: E.P. Dutton and Company, 1920), 231. Courtesy Google Books.

world to colonies (based on agriculture), territorial possessions and even foreign states. Its members' and committee's domestic and international engagement at a variety of public and private levels acts as a valuable lens through which Britain's nineteenth century political and economic history may be examined.

Literature and Source Review

Lloyd's, with some exceptions, commissioned most histories of the institution, which were subsequently written by its members. While many include portraits of prominent individuals, thereby allowing for a vague recognition of important networks, connections, and political involvement, their intent is rather to strictly detail the history of the corporation. Frederick Martin's *The History of Lloyd's and of Marine Insurance in Great Britain with an Appendix containing Statistics Relating to Marine Insurance* from 1876, D.E.W. Gibb's 1957 *Lloyd's of London: A Study in Individualism*, and Vanessa Harding and Priscilla Metcalf's 1986 *Lloyd's at Home* fall into this category.¹⁹ Martin's work was the first to trace the history of the corporation and includes useful tables and data concerning the premiums for particular routes, as well as a snapshot of intelligence gathering practices at the time. While including a substantial bibliography, it does not provide notes. In 1928, Charles Wright and C. Ernest Fayle wrote the most comprehensive and scholarly account of Lloyd's to date. *A History of Lloyd's from the Founding of Lloyd's Coffee House to the Present Day*, although published for the corporation, is the only work that extensively (or at all) uses notes and other basic indications of source material.²⁰ Incredibly useful, it provides extensive background information on the entity and incorporates other existing secondary material as well as the personal papers of some of its members. This history, while effectively written, does

¹⁹ Frederick Martin, *The History of Lloyd's and of Marine Insurance in Great Britain with an Appendix containing Statistics Relating to Marine Insurance* (London: MacMillan and Co., 1876); D.E.W. Gibb, *Lloyd's of London: A Study in Individualism* (London: St. Martin's Press, 1957); Vanessa Harding and Priscilla Metcalf, *Lloyd's at Home* (London: Lloyd's of London, 1986).

²⁰ Charles Wright and C. Ernest Fayle, *A History of Lloyd's from the Founding of Lloyd's Coffee House to the Present Day* (London: MacMillan and Company Limited, 1928).

not extend its scope much beyond the limits of Lloyd's itself. While mentioning engagement with the government, particularly the Admiralty, the scholars do not present an unbiased account and most interactions are portrayed as mostly done as service to the public, with Lloyd's as the hero. In the authors' discussion of numerous complaints "pouring in" from 1850 to 1860 to agents around the world concerning overloading, outdated charts, and under-manning, for example, they wrote, "All these matters were taken on by Lloyd's, alone or in cooperation with the Liverpool Underwriters' Association, *Lloyd's Register*, and the General Ship Owners' Society."²¹ While these entities undoubtedly played a role in addressing these issues, the involvement of the underwriting community cannot be credited to the exclusion of other bodies. This significant oversight, then presents new contextual problems in an assessment of Lloyd's web of connections. For example, the 1858 Select Committee on Consular Services and Appointment's report on the concurrent appointment of Lloyd's agents and diplomatic officers offers a direct contradiction to Wright and Fayle's assertion that the corporation and their commercial allies alone addressed problems plaguing commerce.²²

Researchers continued to use this 1928 publication throughout the twentieth century, with few, at least acknowledged, returns to archival sources. The scarce and largely repetitive nature of these secondary works allows for considerable innovation, particularly when, as in the case of this project, Lloyd's of London is used as a lens through which to look for the effects of private-public partnerships in nineteenth century

²¹ Wright and Fayle, *A History of Lloyd's*, 362.

²² House of Commons, "Report from the Select Committee on Consular Service and Appointments; together with the proceedings of the committee, minutes of evidence, appendix and index," *Sessional Papers, 1857-58 (482)*, 27 July 1858. This and all subsequent Parliamentary Papers, unless otherwise noted, are courtesy of "House of Commons Parliamentary Papers, 1688-2004," ProQuest Information and Learning Company.

Britain. Twenty years later, in 1948, C. Ernest Fayle offered a more or less condensed version of his history of Lloyd's in the essay "Shipowning and Marine Insurance," but in the context of shipowning and commercial activity during the wars from 1793 to 1815. The few references he made are essentially limited to the 1928 text and individual acts of Parliament.²³

One recent independent scholar and career financier, Anthony Twist, adds considerably to the literature on the early history of New Lloyd's in his biography of John Julius Angerstein (1732-1823), a figure largely forgotten after his death.²⁴ Twist's emphasis on this underwriter and merchant's career, social circle and philanthropic activities admirably details the intricate network of personalities and capital networks in the eighteenth century London financial sector. While the book largely falls outside the period of this work, it nevertheless provides a unique and well-researched portrait of a figure instrumental in the development of the marine insurance market.

Those texts that differentiate from the model established by earlier studies are not primarily histories of the corporation, but focus either on underwriting and insurance as a whole or how to operate within the business environment.²⁵ Numerous broader accounts make reference to Lloyd's, such as Robin Pearson's 1997 article "Towards an Historical

²³ C. Ernest Fayle, "Shipowning and Marine Insurance," in *The Trade Winds: A Study of British Overseas Trade During the French Wars 1793-1816*, ed. C. Northcote Parkinson (London: George Allen and Unwin, Ltd., 1948).

²⁴ Anthony Twist, *A Life of John Julius Angerstein, 1735-1823: Widening Circles of Finance, Philanthropy, and the Arts in Eighteenth-Century London* (Lewiston, NY: The Edwin Mellen Press, Ltd., 2006), 6. Twist asserts that history's ignorance of Angerstein is largely a result of his failure to leave a line of successful male heirs. His sons were largely failures, financially, unlike other prominent London families who got their start in the same era, such as the Rothschilds.

²⁵ See, for example, Hugh Cockerell, *Lloyd's of London: A Portrait* (Cambridge: Woodhead-Faulkner, 1984); C.E. Golding and D. King-Page, *Lloyd's* (London: McGraw-Hill Book Company, Inc., 1952); Barry Supple, *The Royal Exchange Assurance: A History of British Insurance 1720-1970* (Cambridge: Cambridge University Press, 1970); William D. Winter, *Marine Insurance: Its Principles and Practice* (New York: McGraw-Hill Book Company, 1919); Oliver M. Westall, ed. *The Historian and the Business of Insurance* (Dover, N.H.: Manchester University Press, 1984).

Model of Services Innovation: The Case of the Insurance Industry, 1700-1914.”²⁶ His essay does not limit itself to positive structural and organizational developments within the realm of marine policies, but rather studies the entire industry. Notably, the financial historian mentioned the spread of the underwriting system to other facets of the market, particularly Cuthbert Heath’s entry into fire insurance.²⁷ The innovations Pearson attributed to Lloyd’s, are, however, limited to the entity’s constitutional reorganization and development of its agency system.²⁸ This omits significant institutional developments that extend far beyond Lloyd’s of London itself, particularly its manipulation of risk through active interaction with the Admiralty and its crucial role in the shaping of regulatory legislation. So, while its insurance products were perhaps unchanging, the profitability and demand for its services did in fact alter. Also of note, stunningly, the author’s only referenced work on the subject was Wright and Fayle’s *History of Lloyd’s*.

Pearson, working with David Richardson, has, however, significantly contributed to a broader understanding of the role of networking in the Industrial Revolution with a focus on showing how social webs operated within the fire insurance industry.²⁹ Arguing that formal institutions and regulations could not singlehandedly monitor the business environment and “guard against the risk of opportunism, free riding, or cheating,” Pearson and Richardson emphasize the role of trust and personal relationships as a factor in market development. As in the business of marine insurance, accurate information and risk assessment proved essential for profitability. Of special relevance to the study of

²⁶ Robin Pearson, “Towards an Historical Model of Services Innovation: The Case of the Insurance Industry, 1700-1914,” *The Economic History Review* 50, no. 2 (May 1997): 235-56.

²⁷ Pearson, “Towards an Historical Model of Services Innovation: The Case of the Insurance Industry, 1700-1914,” 241.

²⁸ Pearson, “Towards an Historical Model of Services Innovation,” 244.

²⁹ Robin Pearson and David Richardson, “Networking in the Industrial Revolution,” *The Economic History Review* 54, no. 4 (November 2001): 657-79.

Lloyd's, particularly as its members interests expanded around the world, is their focus on intelligence. They write:

In historical industrializing economies, with relatively poor communications across distances, the cost of collection was high, but so also was the value of information. Networking helped to enhance the natural efficiency gains of operating in increasingly sophisticated but stretched regional, national, and international markets, by reducing the cost of information as commercial news and sometimes also capital resources were shared across a web of acquaintances.³⁰

Their study offers complementary insight into a related industry, albeit on a smaller geographical scope, that shared many of the same requirements for success as that pursued at Lloyd's.

The above contributions to the history of Lloyd's fail, in most cases, to project the worldwide reach of this business endeavor, specifically as it relates to the political environment in the Metropolis. This study seeks to amend this neglect by taking a more comprehensive approach with the incorporation of valuable and rarely used primary sources that allow for new perspectives.

Much of the material used for this work is held in archival collections at the Guildhall Library and British Library in London. The latter preserves the majority of the works authored and published by members of Lloyd's, particularly Joseph Marryat, as well as some corporate petitions presented to Parliament in anticipation of and in reaction to attacks on the business's monopolistic control of underwriting. The Guildhall Library retains the everyday working records of Lloyd's of London, including minutes of committee and general meetings, reports on correspondence, negotiations with the Admiralty and confidential memoranda for its members. These sources are critical for

³⁰ Pearson and Richardson, "Networking in the Industrial Revolution," 658.

understanding the underwriting house's goals and aspirations and offers a foundation against which their public statements and involvements can be compared.

Useful published accounts include texts that mention Lloyd's for international consumption, such as guides for merchants, sailors, and clerks. Benjamin Franklin Foster, an American, wrote for example, *The Clerk's Guide, or Commercial Correspondence* in 1837 for the young businessman on the rise. Works such as this, which not only gives advice on how to better understand "the most extraordinary place," but also details many of its peculiarities, intimate the corporation's importance within the world of trade and commerce.³¹ Similarly, handbooks for those traveling to other ports necessarily had to have the most up to date information on duties, allowances, and local regulations. These were often supplied by those associated with Lloyd's, even beginning in the early nineteenth century, as they were directly involved in noting ship arrivals and departures. The 1819 *European Commerce; or Complete Mercantile Guide to the Continent of Europe*, for example provides lists of agents throughout Europe side by side with observations on the latest local regulations commercial practices.³²

Domestically, the question of the role of the corporation and its rights and privileges complement this study by pointing to the cross border issues arising from international trade. For example, legal texts similarly stress the importance of Lloyd's. *A*

³¹ Benjamin Franklin Foster, *The Clerk's Guide, or Commercial Correspondence; comprising Letters of Business, Forms of Bills, Invoices, Account-Sales, and an Appendix containing Advice to Young Tradesmen and Shopkeepers, Equation of Payments, Commercial Terms, etc.* (Boston: Perkins and Marvin, 1837), 204-10.

³² C.W. Rordanz, *European Commerce; or, Complete Mercantile Guide to the Continent of Europe; comprising an Account of the Trade of all the Principal Cities of the Continent, copious Tables of their Monies, Exchanges, Weights, and Measures, with their Proportion to those in England, the Local Regulations of Each Place, their Tariffs of Duties, Methods of Buying and Selling, Tares and Other Allowances; Together with numerous Official Documents, Ordinance, etc. Forming a Complete Code of Commercial Information to which is added, An Appendix, containing Several Important Commercial laws, and the Tariff of Duties, as Regulated by the Congress of the United States* (Boston: Cummings and Hilliard, 1819), 558. Courtesy of "The Making of the Modern World: Goldsmiths'-Kress Library of Economic Literature 1450-1850," Gale Databases.

Digest of the Law Relating to Marine Insurance, a compendium of maritime law in effect in 1903, not only includes a history of the body, deemed necessary by the authors to understand the evolution and origin of the legislation, but also indicates in which acts the organization played a leading role.³³ John Duer, an attorney in New York, examined cases of particular import to those in the field and included similar references to Lloyd's and statutory development within the United States.³⁴ The study and inclusion of these works is essential for not only understanding the underwriting house's contribution to the legal evolution of the field, but also for identifying the framework within which Lloyd's was operating and the pressures to which they necessarily yielded.

This research also highlights the unique nature of Lloyd's relationship with the government by reliance on analysis of British government documents; these sources likewise offer significant and substantive indications of the political involvement of Lloyd's committee members, subscribers, and their legislative allies. The *Parliamentary Papers* frequently include evidence presented by committee members and others associated with the corporation as experts on subjects as diverse as the rebuilding of the Royal Exchange, the effectiveness and reorganization of the consular system, marine insurance, iron vessels and the transport of coal.³⁵ Sources such as these complement

³³ Mackenzie Dalzell Edwin Stewart Chalmers and Douglas Owen, *A Digest of the Law Relating to Marine Insurance*, 2nd ed. (London: William Clowes and Sons, Limited, 1903), 170, 174-8.

³⁴ John Duer, *The Law and Practice of Marine Insurance deduced from a Critical Examination of the Adjudged Cases, the Nature and Analogies of the Subject, and the General Usage of Commercial Nations*, Vol. 1 (New York: John S. Voorbies, 1845), 289-90. Birth and death dates unknown.

³⁵ House of Commons, Select Committee on Metropolis Improvements, "Second Report from Select Committee on Metropolis Improvements; with the minutes of evidence, appendix, index, and plans," *Sessional Papers, 1837-38 (661), Metropolis Improvements*, 2 August 1838; House of Commons, Select Committee on Diplomatic and Consular Services, "Report from the Select Committee on Diplomatic and Consular Services; together with the proceedings of the Committee, Minutes of Evidence, Appendix, and Index," *Sessional Papers, 1872 (314), Diplomatic and Consular Services*, 16 July 1872; (289). *Islands: Southern Ocean*, 1 June 1876; House of Commons, "Merchant ships freeboard. Copy of correspondence between the Board of trade, the committee for managing the affairs of Lloyd's, the Committee of Lloyd's Register of British and Foreign Shipping, and the Committee of Underwriters' Registry of Iron Vessels,

other primary materials, particularly the confidential memoranda and communications between Lloyd's and the Admiralty, as well as other government officials, as both parties sought to maximize the benefits from their relationship. The public expression of the partnership as a service industry reinforces its image in leadership, a role the underwriting house consistently sought.

Taken together, the sources for this paper allow for a history not just of Lloyd's, but also of this powerful entity's role in policy formation, pursuit of power and its impact on the merchant environment throughout the empire. Necessarily, the part this private institution played in the development of far-flung colonial holdings, increased domestic wealth, philanthropic patriotism and improved maritime safety cannot be limited to a study of the underwriting firm, but these achievements may be highlighted through investigation of its private planning and public goals and the place they took in society.

The first chapter provides important background information on the process of underwriting itself. It focuses on the financial crisis that first stimulated Lloyd's development and also articulates and explains the rapid growth the institution experienced resulting from the nearly continuous military conflicts, especially during the Napoleonic Wars of the early nineteenth century based on minutes from meetings and government records. Chapter two explores the challenges to the business model put forward by hopeful competitors as Lloyd's near monopoly on the writing of insurance

having for their part to ascertain whether any principles can be adopted for determining the proper amount of freeboard in merchant ships," *Sessional Papers, 1876 (8), Merchant Ships Freeboard*, 8 February 1876; House of Commons, —Coal cargoes (Spontaneous combustion, &c.). List of cases of spontaneous combustion, or of explosion of coal, on board ship, reported to the Board of trade since the date of the report of the Royal Commission, showing the particulars of the voyage, of the casualty, and of the cargo and ventilatics in each case; also, list of ship's wholly laden with coal reported as missing since the date of the report of the Royal Commission, with such particulars of the voyage and cargo as can be ascertained; and, copy of correspondence between the Board of Trade and the committee for managing the affairs of Lloyd's relating to this subject; &c," *Sessional Papers, 1878 (366), Coal Cargoes*, 12 August 1878.

gradually eroded. More importantly, however, it examines the strategies employed by its members in a drastic, and ultimately incredibly successful, attempt to stay relevant and profitable. Most notably, this includes the development of the agency system. While these individuals, often intimately associated with the government, did not seek an expansion of empire, distance and the slow transfer of information required them to serve as Lloyd's "man on the spot."³⁶ This personage rises to the fore in testimonies given to Select Committees in Parliament and internal discussions as to the desired future of Lloyd's. The third chapter expounds on these decisions, based on additional company resources and Admiralty documents, as one of the corporation's most notable figures bargained and interacted with foreign and domestic partners to establish close to complete control over maritime information in Great Britain. Throughout all of these threads, the complex web of relationships that drove Lloyd's success is brought to the forefront. The interchange of ideas, information and governmental concessions granted to this underwriting giant are essential for understanding how the house reached its pinnacle, as well as what that meant for Parliament, the military, and the British public at large.

³⁶ For a discussion of the role of the man on the spot see John S. Galbraith, "The 'Turbulent Frontier' As a Factor in British Expansion," *Comparative Studies in Society and History* 2, no. 2 (January 1960): 150.

Chapter 1: Underwriting and the Rise of Lloyd's

Underwriting is a unique manner of effecting insurance, with individuals, rather than a corporate entity, taking either the profits from premiums or making payments on policies. Insurance as a whole emerged in force in the early eighteenth century as a popular speculative undertaking, with policies ranging from protection against death by gin drinking and even an assurance of female chastity.³⁷ The concept of marine insurance, particularly as a corporation, emerged in 1717, as just one adventure amongst a flurry of others.³⁸ The origin and success of underwriting, at least in Britain, directly evolved from a financial crisis of the early eighteenth century. In 1720, South Sea stock plunged 87 percent, thus marking one of the worst financial crashes of the era.³⁹ Immediately following the devaluation, Parliament took steps to regulate rampant speculation by joint stock companies, largely seen as the cause of the challenge, through the passage of the Bubble Act.⁴⁰ The intent and driving force behind the legislation that followed has recently been interpreted in two ways. The first is that the Bubble Act was a government-created entry barrier designed to put out of business (and hinder development of) all business associations which were competing with Parliament's chartering business.⁴¹ Ron Harris, building on the theme of barrier creation, shifted the impetus from the government to the South Sea Company. In this approach, company leaders lobbied for the bill's creation and passage to hinder alternative investment

³⁷ Wright and Fayle, *A History of Lloyd's*, 44.

³⁸ Wright and Fayle, *A History of Lloyd's*, 44.

³⁹ Ron Harris, "The Bubble Act: Its Passage and Its Effects on Business Organization," *The Journal of Economic History* 54, No. 3 (September 1994): 610.

⁴⁰ Harris, "The Bubble Act," 611.

⁴¹ Harris, "The Bubble Act," 612.

opportunities and to divert more capital to South Sea shares.”⁴² Either finding comes to the same conclusion: the act limited opportunities for investment. In April 1720, John Hungerford (1657-1729), chairman of the Commons committee to investigate the issue, reported that the South Sea Act (6 Geo. I, c.4) had received royal assent.⁴³ Over the next month, legislators attached numerous amendments to it, one of which had a far-reaching impact on the development of Lloyd’s and marine insurance as a whole, as savvy investors sought the incorporation of the Royal Exchange Assurance and London Assurance companies. Both entities had been under investigation by the same committee drafting the bill –for improper private subscription,” but after they offered £300,000 to pay off the King’s Civil List debt, began to receive support for their enterprise.⁴⁴ Clause eighteen specifically barred the establishment of corporate undertakings without the express permission of the Crown, either through an act of Parliament or a royal charter:

All undertakings... presuming to act as a corporate body...raising...transferable stock...transferring...shares in such stock...without legal authority, either by Act of Parliament, or by any Charter from the Crown,...and acting...under any charter...for raising a capital stock...not intended...by such Charter...and all acting...under any obsolete Charter...for ever be deemed to be illegal and void.⁴⁵

By June 1720, the king had given both assurance companies charters allowing them to operate.⁴⁶ The bill further prohibited any corporate body from operating under –obsolete charters,” with exceptions made for the powerful East India and South Sea Companies, as well as any others granted such privileges before 24 June 1718.⁴⁷ Specific to the

⁴² Harris, –The Bubble Act,” 612.

⁴³ Matthew Kilburn, –Hungerford, John (1657/8–1729),” in *Oxford Dictionary of National Biography*; Harris, –The Bubble Act,” 613.

⁴⁴ Harris, –The Bubble Act,” 613.

⁴⁵ Harris, –The Bubble Act,” 614; 6 Geo. I, c.4.

⁴⁶ Wright and Fayle, *A History of Lloyd’s*, 63. In Britain, assurance and insurance can be used interchangeably.

⁴⁷ Wright and Fayle, *A History of Lloyd’s*, 61.

insurance business, ~~all~~ policies issued by such Corporations, societies, or partnerships, were declared to be *ipso facto* void, and all sums underwritten were liable to be sued for and forfeited, one half to the King, and one half to the informer.”⁴⁸ This language, notably, did not mention individual underwriters, who were, in fact, later in the bill, specifically given the right to carry on business.⁴⁹ Thus, underwriting emerged as a major market for marine insurance. With insurance companies limited to the Royal Exchange and London Assurance, Lloyd’s structured itself as a direct response to this legal and business environment.⁵⁰ As corporate policies were now largely illegal, both the premiums and risk had to be held by the individual, whose entire estate was considered collateral.⁵¹

By the end of the eighteenth century, simultaneous developments in general business practices accompanied the change in insurance structure, particularly the rise of the individual merchant in place of the chartered company, the separation of the shipping business from purveyors of transported goods, and the emergence of the ~~specialized~~ commercial coffee-house.”⁵² The second of these, the shippers, which developed over the eighteenth century until its permanent establishment at the beginning of the nineteenth, is significant if for no other reason than that these were the same clients with whom Lloyd’s did business. Before the advent of the profession of ~~shipowner~~,” vessel ownership was divided into as many as sixty-four shares. While those traveling overseas were often owned by one mercantile firm, several individuals usually held coastal boats. With so

⁴⁸ Wright and Fayle, *A History of Lloyd’s*, 63.

⁴⁹ Wright and Fayle, *A History of Lloyd’s*, 62-63.

⁵⁰ Lloyd’s of London, *Petition of Underwriters: to the Right Honourable the Lords Spiritual and Temporal in Parliament Assembled, the Humble Petition of the Undersigned Underwriters, Individually and Separately Engaged in the Business of Marine Insurance*, in *Tracts: 1828-24*. 8244 BB 37, British Library, London, United Kingdom, 44.

⁵¹ Wright and Fayle, *A History of Lloyd’s*, 62-63.

⁵² Fayle, *Shipowning and Marine Insurance*,” 26.

many interests having at least nominal control over a ship, the actual managing of the vessel was often undertaken by either the master or perhaps an investor with significant experience in the field.⁵³ By the nineteenth century, this practice grew out of fashion, as the colorful Swinton Holland (1777-1828), with Baring Brothers, indicated in 1826; —Within the last thirty years, the shipowners of London have entirely changed character...the merchant and the shipowner becoming two distinct classes.”⁵⁴ This process had begun a century or more earlier, however, with new institutions developing that catered to those mainly concerned with shipping interests.

As early as 1720, proponents of corporate assurance policies had complained about the inefficiencies of the system, not only because of the effort necessary to find appropriate levels of backing, but also the difficulty that accompanied any potential litigation.⁵⁵ The evolution of the central coffee house, and specifically Lloyd’s, was an answer to this. Lloyd’s of London was and is not an insurance firm, but rather a common roof and market under which individuals gather, share information, make informed decisions, and attract clients through a streamlined process. Within this period of national economic and business development, Lloyd’s slowly evolved over the century to achieve its commanding institutional status.

⁵³ Simon Ville, —The Growth of Specialization in English Shipowning, 1750-1850,” *The Economic History Review* 46 No. 4 (November 1993): 705.

⁵⁴ Ville, —The Growth and Specialization in English Shipowning, 1750-1850,” 707; Swinton Holland is an interesting example of the individuals who subscribed to Lloyd’s. Following his failure in business in the United States, he began another in Italy in 1802, beginning in Venice and eventually settling in Trieste where he entered into a working arrangement with the American Consul. After the breakout of war between France and Austria, he was arrested and only released after agreeing to pay £1500. After his return to London, he joined Baring Brothers in 1814. See Edgar Swinton Holland, *A History of the Family of Holland of Mobberley and Knutsford in the County of Chester with Some Account of the Family of Holland of Upholland and Denton in the County of Lancaster* (Edinburgh: Ballantyne Press, 1902), 79; Lloyd’s of London, *A List of the Subscribers to Lloyd’s and a List of the Agents and a Copy of their Appointment and Instructions, December 31, 1821* (London: W. Hughes, 1822), 13. British Library, London.

⁵⁵ Wright and Fayle, *A History of Lloyd’s*, 51, 53.

As the merchant marine industry evolved, the development of specialized markets, often located in coffee-houses, became necessary to increase the ease with which those seeking coverage could obtain it. In order to dissipate the chance of financial ruin through an ill-informed or unlucky coverage, most underwriters only consented to take a small part of the risk. A clerk's guide from 1834 aptly illustrates the process the merchant or shipowner went through to obtain complete coverage:

Having occasion to effect an insurance upon a shipment of merchandise from London to Genoa, I give my broker written orders to do it at the lowest possible premium. He accordingly requires a note of every particular connected with the shipment, with which it is my business to furnish him... upon the receipt of this order, a policy will be prepared, in which the name and voyage of the vessel will be entered⁵⁶

Following this draft, the broker took it to Lloyd's, where he sought to obtain the lowest rate possible to cover a potential loss. The author of the same guide indicated that on a £5,400 form, it could take up to twenty-seven signatories, acting entirely separately, to cover the entire amount, with each accepting party contributing an average of £200 towards the total.⁵⁷ Each of those would be personally responsible for the entirety of the payment on the loss, should it be necessary. Using the same example, the merchant seeking the coverage would pay a premium of twenty-five shillings per cent, with an additional five for a stamp, bringing the total to one and a half pounds per hundred.⁵⁸ Thus, to cover the entire premium, the insured would pay £81. Understandably, if this process were repeated at offices around London, instead of one central location, it would have been inefficient and costly. This example from 1837 indicates the extent to which the business of underwriting had developed since the early eighteenth century.

⁵⁶Foster, *The Clerk's Guide*, 206.

⁵⁷Foster, *The Clerk's Guide*, 207.

⁵⁸Foster, *The Clerk's Guide*, 207; Twenty shillings to the pound. For this example, every £100, would include 2,000 shillings. Thirty shillings would thus be 1.5% of the £100.

While it originated in the late seventeenth century, and in fact successfully weathered the 1720 South Sea Bubble crisis, the corporation in its current form dates only to 1771.⁵⁹ Two years earlier, a group of men left what had been Lloyd's Coffee House to form their own underwriting organization, called New Lloyd's, reacting to charges of speculation from which they wished to distance themselves.⁶⁰ This desire comes as no surprise, considering the numerous failures of insurance adventures throughout the century. On 13 December 1771, this group, then consisting of seventy-nine names, formally subscribed to New Lloyd's.⁶¹ This marked the beginning of the Lloyd's of London that still exists today.

This new organization sought to mark its legitimacy with a formal structure, both physically and administratively. Each individual subscribed by committing £100 towards the purchase or construction of a new building. They assigned the administrative and managerial power to do this to a committee of nine that included prominent merchants and businessmen.⁶² One of these, Brook Watson (1735-1807), who, in the following years, took an active role in not only shaping the house, was also one of the first figures to bridge the gap between the underwriting body and the government. Orphaned at the age of six, he was apprenticed to a merchant relative and went to sea as a young man. While completing his naval service in the Caribbean, a shark took one of his legs while in Havana. By 1759 he had established himself as a merchant in London, where he took an

⁵⁹ Wright and Fayle, *A History of Lloyd's*, 40-44.

⁶⁰ Wright and Fayle, *A History of Lloyd's*, 88-97.

⁶¹ Lloyd's of London, "General Meeting of the Subscribers to the Plan for the Purpose of Removing to another House for the more Commodious Reception of the Gentlemen Underwriters, Mr. Martin Huyck van Mierop in the Chair," 13 December 1771, in Lloyd's of London, *Proceedings of the Committee: December 1771-1804*, Vol. I, 27-28, MS 31571, Guildhall Library, London, UK.

⁶² Lloyd's of London, "General Meeting of the Subscribers to the Plan for the Purpose of Removing to another House for the more Commodious Reception of the Gentlemen Underwriters, Mr. Martin Huyck van Mierop in the Chair," 13 December 1771, in Lloyd's of London, *Proceedings of the Committee: December 1771-1804*, Vol. I, 27-28, MS 31571, Guildhall Library, London, UK.

active role in city politics and defense. In 1782 he went to Canada to serve as commissary-general of the army where he remained until 1783. Upon his return to London, he not only joined New Lloyd's but was also elected MP for the City of London from 1784 until 1793. Watson served as director of the Bank of England and in 1786 became an alderman and sheriff. He served with the duke of York's army in Flanders from 1793 to 1795 and was elected Lord Mayor of London in 1796.⁶³ During these years, while holding these concurrent positions of authority, Watson continued to sit on the committee of Lloyd's, often chairing some of its most important meetings.⁶⁴

In this same period, another equally notable figure, John Julius Angerstein (1732-1823) was instrumental in the establishment of Lloyd's. While little is known about his origins, family tradition held him to be the son of Empress Anne and a Russia merchant named Andrew Poulett Thompson, in whose London business he got his start in insurance. He had his own brokerage firm by 1770, and at the time of his retirement in 1810 controlled 200 accounts. While not personally involved in politics, he nevertheless exerted his own influence on legislative matters and policy issues throughout the late eighteenth and early nineteenth centuries, including working with Prime Minister William Pitt (1759-1806) in 1793 on the creation of the exchequer bill to ease commercial credit.⁶⁵ Outside of Lloyd's, perhaps his most lasting influence extends from his fine art collection. In 1824, following his death, the government purchased thirty-eight of his paintings, including works by Rembrandt, Rubens, and Raphael, for

⁶³ E. M. Lloyd, "Watson, Sir Brook, first baronet (1735–1807)," in *Oxford Dictionary of National Biography*.

⁶⁴ See Lloyd's of London, *Proceedings of the Committee: December 1771-1804*, vol. 1, MS 31571, Guildhall Library, London, UK, for a comprehensive list of meetings and their chairs during the title period.

⁶⁵ Sarah Palmer, "Angerstein, John Julius (c.1732–1823)," *Oxford Dictionary of National Biography*.

£57,000. These works of art later formed the core of the National Gallery in London.⁶⁶ Friends with the likes of Samuel Johnson (1709-84) and Sir Thomas Lawrence (1769-1830), Angerstein also actively associated with those in the royal court and in political and financial circles.⁶⁷

The coalescence of these aforementioned historical actors as the committee of Lloyd's presents itself after 1771, when they expanded into the public and very spatial corporate spheres. For example, the seventy-nine £100 subscribers pooled their capital for a new building. After initially entering into an agreement with John Fletcher for a premises connecting to their original modest structure, the committee went through a series of proposed sites, including a house in Freemans Court (April 1772) and Magdalene College (May, December 1772).⁶⁸ Finally, in November 1773, at a general meeting of the subscribers in their Pope's Head Alley residence, the committee reported that they had reached an agreement with the Mercers Company for a "very Roomy and Convenient place over the North West Side of the Royal Exchange at the Rent of £180/annum."⁶⁹ Not only did this development provide the body with a roomy atmosphere in which to conduct their business, but the location was at the heart of London's commercial district, and therefore at the heart of the rising second empire. As

⁶⁶ Palmer, "Angerstein, John Julius (c.1732–1823)," *Oxford Dictionary of National Biography*.

⁶⁷ Palmer, "Angerstein, John Julius (c.1732–1823)," *Oxford Dictionary of National Biography*; For representative articles, see "The Court," *World* (London), 23 January 1794; "Bank Meeting," *Sun* (London), 7 February 1798. With the exception of the *Times* (London), newspapers in this thesis are courtesy of Nineteenth Century British Library Newspapers, online, Gale Databases.

⁶⁸ Lloyd's of London, "General Meeting of the Subscribers to the Plan for the Purpose of Removing to another House for the more Commodious Reception of the Gentlemen Underwriters, Mr. Martin Huyck van Mierop in the Chair," 13 December 1771, in Lloyd's of London, *Proceedings of the Committee 1771-1804*, 24; Lloyd's of London, "Meeting of the Committee," 14 April 1772, in Lloyd's of London, *Proceedings of the Committee 1771-1804*, 29; Lloyd's of London, "Meeting of the Committee," 28 May 1772, in Lloyd's of London, *Proceedings of the Committee 1771-1804*, 30; Lloyd's of London, "Meeting of the Committee," 24 December 1772, in Lloyd's of London, *Proceedings of the Committee 1771-1804*, 31.

⁶⁹ Lloyd's of London, "Aa General Meeting of the Subscribers to the New Lloyd's Coffee House," 24 November 1773, in Lloyd's of London, *Proceedings of the Committee, 1771-1804*, 34.

the Napoleonic Wars commenced and the nineteenth century progressed, this location became essential for both the evolution and growth of Lloyd's and a nexus for the spread of information to the government, investors, and the families of sailors alike.

In this period of significant unrest, Britain adjusted to new economic and trade conditions brought on by the independence of the United States and the French Revolution took hold on the continent. Adam Smith (1723-90), who published *Wealth of Nations* in 1776 and found a willing audience in Pitt, accepted American secession as inevitable and urged free trade rather than the protectionism sought through colonial expansion.⁷⁰ These commercial concerns certainly had some validity, as British trade with the newly sovereign nation actually increased following their separation from their former owner.⁷¹ In 1774, the British ships brought in 798,000 tons. By 1792 this had more than doubled to 1,563,744 tons.⁷²

The Navigation Acts, the most influential of which was passed in 1651 with subsequent revisions, which had, for the benefit of the emerging shipping industry, seriously restricted imports into Britain from any but her own ships, and likewise prohibited the introduction of foreign materials into the colonies except through the middleman of the empire's merchant classes, inhibited the industry.⁷³ The goals upon which these rules were directed sought to minimize any shipping done by any but English ships, monopolize colonial markets, and wedge Great Britain between imperial output

⁷⁰ Brendon, *The Decline and Fall of the British Empire*, 13. For a valuable discussion of Smith's concept of free trade, particularly as it relates to military protection of merchant activity, see Edward Mead Earle, "Adam Smith, Alexander Hamilton, Friedrich List: The Economic Foundations of Military Power," in ed. Peter Paret, *Makers of Modern Strategy from Machiavelli to the Nuclear Age* (Princeton, NJ: Princeton University Press, 1986), 217-61.

⁷¹ Brendon, *The Decline and Fall of the British Empire*, 12.

⁷² Fayle, "Shipowning and Marine Insurance," 26.

⁷³ Fayle, "Shipowning and Marine Insurance," 33.

and foreign consumption.⁷⁴ By the 1790s, these regulations had been somewhat adjusted, compensating for America's new economic role, but for the most part, this system was still intact. While perhaps still useful for the production of wealth for the merchant classes of Britain (though not for the nation as a whole), the restrictions put in place by the acts created an appealing and visible target for its long standing enemy, France.⁷⁵

Britain's dependence on its far flung colonies was not lost on its new adversary. In 1793, as the French revolutionaries declared war against their neighbor across the English Channel, one senior member noted:

The credit of England rests upon fictitious wealth; the real riches of that people are scattered everywhere... Bonded in territory, the public future of England is found almost wholly in its Bank, and this edifice is entirely supported by the wonderful activity of their naval commerce. Asia, Portugal, and Spain are the most advantageous markets for the productions of English industry; we should shut these markets to the English by opening them to the world.⁷⁶

By 1796, the republic had taken active steps to restrict British goods from reaching European ports. The first order "subjected all ships carrying British goods to detention and seizure" and included a stipulation for a certificate of origin, which would later be incorporated into the Berlin Decree of 1806.⁷⁷ In 1797 even greater restrictions were placed upon English trade. All ships even partially containing British goods were subject to seizure, and furthermore, no neutral vessel which had stopped at a British port was permitted to enter French territory.⁷⁸ While under ordinary conditions, these restrictions would have significantly threatened commerce, Great Britain's trade policies, particularly

⁷⁴ Fayle, "Shipowning and Marine Insurance," 33.

⁷⁵ Brendon, *The Decline and Fall of the British Empire*, 13.

⁷⁶ J.H. Rose, "Napoleon and English Commerce," *The English Historical Review* 8, No. 32 (October, 1893): 704.

⁷⁷ Rose, "Napoleon and English Commerce," 705. The Berlin Decree placed restrictions upon trade with Britain by any country in the French sphere.

⁷⁸ Rose, "Napoleon and English Commerce," 705.

the Navigation Acts, simply exacerbated the situation. As all goods, even foreign, were required to travel aboard English ships bound for the colonies, ships from international origins were forced to dock at the island nation's ports, thus instantly making them "legitimate" targets for French confiscation. As a result, any merchant who relied on overseas transportation, regardless of the point of origin, could have both vessels and goods taken.

Following Napoleon Bonaparte's (1769-1821) successful campaign against Italy and Austria, ending in the Treaty of Campo Formio, the general wrote to Charles Maurice de Talleyrand-Perigord (1754-1838), indicating the necessity of defeating English commerce in order to gain control of Europe, cutting at the heart of British "free trade" policy:

The English...are generous, intriguing and active. Our government must therefore destroy the English monarchy, or expect to be itself destroyed by the corruption of these intriguing and enterprising _insulars. The present moment offers us a capital opportunity. Let us concentrate all our activity on the marine, and destroy England. That done, Europe is at our feet.⁷⁹

In this same period, British naval prestige was still fragile, and the French made significant progress towards isolating the Mediterranean by controlling much of Italy, Greece, and Malta.⁸⁰

Additionally, the enemy within was also problematic, as cargos were not even safe in home ports. One estimate, prior to 1798, put annual theft by crew members and dock workers at £350,000 in London alone and further suggested that one in seven engaged in the business either took bribes or directly contributed to the situation.⁸¹

Between 1799 and 1801, the West India trade lost nearly £400,000 a year in this

⁷⁹ Rose, "Napoleon and English Commerce," 706.

⁸⁰ Rose, "Napoleon and English Commerce," 706-7.

⁸¹ Fayle, "Shipowning and Marine Insurance," 36.

manner.⁸² While this problem was significantly remedied by the construction of the wet docks in this era, east of the City on the River Thames, to which merchants were compulsorily made a part by certain provisions in the charters of the various dock companies, this innovation only limited theft in the burgeoning metropolitan area, not throughout the empire.⁸³

While these proceedings (both war and theft) injured shipping as a whole, one group gained immense profit and prestige from such challengers: underwriters. That Lloyd's of London became both a major financial and public figure during this era of conflict is not coincidental. Increases in both trade and risk undoubtedly encouraged the development and use of insurance by merchants and shipowners. Between the periods of 1796 to 1800 and 1806 to 1810, the sums of insured marine property in Britain increased from £104,000,000 to £163,000,000, some 63.8 percent.⁸⁴ Aside from the increased risk that accompanied the wars, the empire was also rapidly expanding, particularly in the West Indies, where the British sugar industry was booming, helped by increased demand and the French loss of Haiti.⁸⁵ By 1814 the British had acquired St. Lucia, Trinidad, Tobago, Martinique, Guadeloupe, St. Thomas, Curacao, St. Eustatius, Surinam, Demerara, Essequibo, and Berbice, most of which significantly added to the amount of

⁸² Joseph Marryat, *Observations on the Application of the West India Dock Company for a Renewal of their Charter with analysis of the Evidence Given Before the Committee of the House of Commons on Foreign Trade, to Which Their Petition was Referred: and A Copy of the Report of the Said Committee* (London: J.M. Richardson, Cornhill, and Ridgways, 1823), 2.

⁸³ Joseph Marryat, *Observations on the Application of the West India Dock Company for Renewal of their Charter*, 2.

⁸⁴ Pearson, "Towards an Historical Model of Services Innovation: The Case of the Insurance Industry, 1700-1914," 245.

⁸⁵ Lucy Frances Horsfall, "The West Indian Trade," in *The Trade Winds: A Study of British Overseas Trade During the French Wars, 1793-1815*, ed. C. Northcote Parkinson, 158-63.

raw materials, especially sugar, that made it into England.⁸⁶ Despite an increased capacity for productivity, however, these merchants and shipowners were still subject to restrictions placed upon them by the Navigation Acts as well as drastic increases in premiums for insurance policies. One active underwriter from the period, George Hobson, left behind detailed records of the rates he charged for voyages.⁸⁷ (See Table 1)

Table 1: Typical Premiums 1810-14 from George Hobson's Books⁸⁸

Voyage	1810	1811	1812(Jan.- May)	1812 (Jun.- Dec.)	1812 Jan- Dec.	1813	1814	1816
Jamaica- Out	5.17	7.0	4.1	7.4	6.4	7.2	5.7	2.0
Jamaica- Home	7.4	8.3	6.8	11.1	8.0	10.7	8.6	3.6
West Indies- America Cross Voyages	3.6	4.5	10.5	19.0	17.0	16.0	13.0	3.5
Scandinavia and Baltic Out	21.5	18.1	16.1	11.0	13.2	7.0	3.55	1.8
Home	17.2	22.0	19.5	15.8	16.0	9.3	4.7	3.4
Ireland- London	3.5	3.0	2.65	5.6	3.8	2.5	2.5	1.1
Coasting Great Britain	1.5	1.54	1.33	1.26	1.29	1.21	1.34	0.97
Average Rate of Premium on all Voyages, foreign and coasting	7.0	6.2	-----	-----	6.6	6.76	5.37	2.26

⁸⁶ Lucy Frances Horsfall, "The West Indian Trade," in *The Trade Winds: A Study of British Overseas Trade During the French Wars, 1793-1815*, ed. C. Northcote Parkinson, 158.

⁸⁷ Birth and death dates unknown.

⁸⁸ Wright and Fayle, *A History of Lloyd's*, 191.

Rates particularly spiked in 1812 in trade with the Americas as war between Britain and the United States broke out. The drop off by nearly 10 percent between 1814 and 1816 for the same route is also notable. In terms of revenue, these rates both represented substantial sums and generated them. In 1811 for example, underwriters covered 109 outbound risks to Jamaica, worth £16,206, which brought in £1,183 in premiums at 7 percent. Underwriters earned £3,338 on 160 vessels that were covered on a return trip, with a value of £40,165, at 8.3 percent.⁸⁹ The end of the wars and improved safety at sea drastically reduced these profits, as rates charged to shipowners decreased, in 1816 to the same destinations, to 2 and 3.6 percent, respectively.⁹⁰

While this period was unquestionably lucrative for individual underwriters, it also thrust Lloyd's into a new position within the commercial, patriotic, and political spheres. Within several years of forming New Lloyd's, the committee began to actively engage with the government in ways that not only furthered the interests of the organization but also led to their predominance in shipping intelligence and legislative influence. For example, by at least 1789, the underwriting house had entered into an agreement with the Post Office in which Lloyd's paid £200 a year, divided between the Secretary of the Post Office and the Comptroller of the Inland Office, of which the mail service was a part, for early and unlimited delivery of any matter of interest to the committee.⁹¹ After a reduction to £100, any payment at all for the service was discontinued in 1793, on recommendation of the Postmaster-General.⁹² When Parliament revisited the issue in

⁸⁹ John Towne Danson, *Our Next War, in its Commercial Aspect: with some Account of the Premiums paid at Lloyd's from 1805 to 1816* (London: Blades, East, and Blades, 1894), 72.

⁹⁰ John Towne Danson, *Our Next War*, 88.

⁹¹ House of Commons, "The Eighth Report of the Commissioners Appointed to Inquire into the Management of the Post Office, Part I," *Sessional Papers, 1837-38 (85)*, 4.

⁹² House of Commons, "Management of the Post Office," 4.

1837, it found the system completely satisfactory, particularly the manner in which Lloyd's made the information available to the public through the publication of *Lloyd's List*. The investigative commissioners noted that "It appears to us important that there should be some one public establishment in the kingdom to which reference can be made for correct and accurate intelligence, such as is contained in the returns received from the agents to Lloyd's."⁹³ By this time agents were spread throughout the world and under this arrangement could send all letters free of postage.⁹⁴ Not only did this privilege benefit those underwriting the policies, but a further requirement that all arrival and departure information of ships under sail be available to the public served those throughout the business community as well as individuals concerned with the fate of family members of loved ones. In its facilities at the Royal Exchange, anyone who had an interest could see the books into which the secretary entered the information. This also included members of the press, who regularly published the shipping news.⁹⁵ Often, the information from *Lloyd's List* was printed side by side with news of military promotions, victories and defeats. Not uncommonly, the information provided by the insurance entity also provided such insight. In the *Caledonian Mercury* (Edinburgh) on 9 January 1800, for example, the section entitled "Lloyd's Marine List" includes the following:

L'Aventure French schooner privateer, of 14 guns and 42 men, was taken off St. Maloes by the *Aristocrat* lugger, and arrived at Plymouth 1st inst. The *Ethalion* frigate is lost on the Saintes; all the crew saved; part of them arrived at Falmouth in the *Nimrod* cutter. The *Caroline*, (carrel) of Gosport, is on shore near Weymouth, and full of water.

⁹³ House of Commons, "Management of the Post Office," 4.

⁹⁴ House of Commons, "Management of the Post Office," 22.

⁹⁵ For examples, see from this period the *Caledonian Mercury*, *The Hull Packet*, and *The Aberdeen Journal*, among others.

The *Skene*, Crawly, from Dublin to London, has been taken by the *Egyptian* French privateer, retaken by the *Nimrod* cutter, and arrived at Plymouth the 30th December.

The *Nymph*, Nicholson, from Newfoundland to Liverpool, has been taken, retaken, and arrived at Cuxhaven.

The *Duke of Clarence*, Lewis, from Dublin to London, is captured near the Land's End by the *Egyptian* privateer, and sent for France.⁹⁶

This news would have been valuable for people with multiple interests. Those following the war could see its progress, particularly the active part the *Nimrod* was playing in coastal defense. Anyone with family on board, perhaps the *Ethalion*, would have been relieved to know that all on board survived. Underwriters could see particularly dangerous routes and enemy activity and could adjust their premiums accordingly. Additionally, as in the case of the *Caroline*, they would learn that payments on a policy might be in order. Likewise, shipowners could see if one of their vessels was lost or arrived in port. In this manner, the information made available to Lloyd's, initially for its own interest, benefited the broader public, while also increasing the underwriting house's financial and popular prestige.

In this same period, the committee of Lloyd's also became more proactive in petitioning Parliament for new legislation and the Admiralty for stricter regulation of shipping practices. The first mention of this involvement is from 1781, when at a general meeting of the subscribers, the majority voted against a motion to request Parliament to "restrain shipmasters from ransoming their ships and cargoes from the enemy."⁹⁷ Little mention was made again until 1792, when the committee authored a rather harsh criticism of current naval capabilities in the protection of trade. Out of concern for the

⁹⁶ —Lloyd's Marine List—January 4," *The Caledonian Mercury* (Edinburgh), 9 January 1800. Cuxhaven is on the western coast of Germany.

⁹⁷ Lloyd's of London, —Aa General Meeting of the Subscribers to the new Lloyd's Coffee House, Brook Watson in the Chair," 3 January 1781, in Lloyd's of London, *Proceedings of Committee: December 1771-1804*, 44.

“large and rich fleets hourly expected from the East and West Indies,” they indicated they were not, “with all the means of information they are in possession of, able to see any adequate protection at sea from this kingdom.”⁹⁸ The memorial went on to ask for any possible assurance from the Lords that proper precautions were being taken.⁹⁹

By 1798, however, the two entities had reached a new level of cooperation as epitomized in the Convoy Acts. Passed in 1798, this legislation responded to significant merchant losses at sea. It mandated that trade vessels join a convoy and simultaneously pay a fee for the protection. Not only did this act create a substantial source of revenue (£1,292,000 in its first year) for the government, it also saved underwriters significant sums.¹⁰⁰ The committee at Lloyd’s directly intervened to secure its passage, and probably had a hand in crafting Article four, which stipulated that if any ship left the convoy, and their ship, crew, or cargo was damaged, those who had underwritten the policy would not be responsible for the losses.¹⁰¹ These provisions and relationships lasted throughout the series of wars, and even afterwards, as privateers, particularly in the North America and West Indian trade continued to attack British shipping.

As the war progressed, Lloyd’s role in its planning and execution continued to expand. As the firm received information from around the world for its own purposes, it continued to publish much of it in *Lloyd’s List* but sent on time sensitive information concerned with political events or enemy ship movements to the Admiralty as soon as

⁹⁸ Lloyd’s of London, “Meeting of the Committee of Lloyd’s,” 19 July 1792, in Lloyd’s of London, *Proceedings of the Committee: December 1771-1804*, 59.

⁹⁹ Lloyd’s of London, “Meeting of the Committee of Lloyd’s,” 19 July 1792, in Lloyd’s of London, *Proceedings of the Committee: December 1771-1804*, 59.

¹⁰⁰ Alfred T. Mahan, *The Influence of Sea Power upon the French Revolution and Empire, 1793-1812*, vol. 2 (Boston: Little, Brown, and Company, 1894), 205.

¹⁰¹ Lloyd’s of London, “General Meeting of the Subscribers,” 28 February 1799, in Lloyd’s of London, *Proceedings of the Committee: December 1771-1804*, 94.

possible.¹⁰² Lloyd's, by far the largest house in the dominant field of underwriting (in 1810, the two chartered companies London Assurance and Royal Exchange only accounted for 4 percent of all the marine insurance placed in Britain; the rest was covered by underwriters), formed a natural liaison between the government and shipping interests.¹⁰³ In the later years of the conflict, the Admiralty made it a standard practice to seek guidance from the committee on issues ranging from convoy regulations, assembly ports, and generally any aspect of trade defense.¹⁰⁴ Under the Berlin and its expansion in the 1807 Milan Decree, any neutral vessel that traded with Britain was subject to seizure. As a result, in 1806, the Board of Trade requested an act of deception with which Lloyd's complied, that while vessels be correctly entered into confidential books, they be mislabeled in *Lloyd's List* as coming from European or American ports, as the publication circulated widely on the continent.¹⁰⁵ Not only does this indicate the extent to which this private entity cooperated with the government but also the range of its influence throughout Europe. As hostilities drew to a close, the body also participated in the peace negotiations with the United States, seeking a more rapid cessation of naval conflict.¹⁰⁶

While Lloyd's worked with the government, it simultaneously made inroads into the broader national awareness, complying with Habermas' belief that public opinion in the nineteenth century was increasingly directed and shaped by the technocratic bourgeois elite, even if it was directed towards a broad social interest, by providing

¹⁰² Fayle, "Shipowning and Marine Insurance," 44.

¹⁰³ Sarah Palmer, "The Indemnity in the London Marine Insurance Market," 84-85.

¹⁰⁴ Fayle, "Shipowning and Marine Insurance," 45.

¹⁰⁵ Fayle, "Shipowning and Marine Insurance," 46.

¹⁰⁶ Wright and Fayle, *A History of Lloyd's*, 280.

lifeboats to the coasts and the creation of the Patriotic Fund.¹⁰⁷ Angerstein collaborated with the Duke of Northumberland to solicit donations to fund the first vessel constructed solely for the purpose of rescuing shipwrecked crews.¹⁰⁸ In 1802 the committee extended this service and sought £2,000 for the development of more boats stationed on the coast of the United Kingdom.¹⁰⁹ Lloyd's financed and ran this institution until the government-run National Lifeboat Institution took over in 1824.¹¹⁰

In 1803 the committee undertook another lasting venture, Lloyd's Patriotic Fund. In July of this year, the body began to accept subscriptions to a general fund to relieve the widows and orphans of deceased and disabled sailors and soldiers from the Napoleonic Wars. A board of fifty men elected from Lloyd's administered and distributed the money. This body included notables such as five members of Parliament, including Francis Baring (1740-1810), as well as many other prominent underwriters and members of London's financial elite.¹¹¹ By 5 August of the same year, after placing advertisements in several newspapers, the fund had received £70,312 in subscriptions, £20,000 of which came from underwriters.¹¹² The advertisements that accompanied the request, and what appeared to be a slowing of responses following the initial flurry of activity did, however, elicit a somewhat unusual criticism of the underwriting house related to its close

¹⁰⁷ Michael E. Gardiner, "Wild Publics and Grotesque Symposiums: Habermas and Bakhtin on Dialogue, Everyday Life and the Public Sphere," in eds. Nick Crossley and John Michael Roberts, *After Habermas: New Perspectives on the Public Sphere* (Malden, MA: Blackwell Publishing, 2004), 28-9.

¹⁰⁸ Henry M. Grey, *Lloyd's Yesterday and Today* (London: John Haddon & Co., 1893), 28, Guildhall Library, London, UK.

¹⁰⁹ Lloyd's of London, "Meeting of the Committee Held this Day," 21 February 1802, in Lloyd's of London, *Proceedings of the Committee 1771-1804*, 156.

¹¹⁰ Grey, *Lloyd's Yesterday and Today*, 28.

¹¹¹ Committee of Lloyd's, "Patriotic Fund," *Times* (London), 29 July 1803, 2. This elder Francis Baring, whose son would later lead an attack on Lloyd's monopoly, was also actively involved in the marine insurance business. From 1771-1780, he served on the court of the Royal Exchange Assurance. See John Orbell, "Baring, Sir Francis, first baronet (1740-1810)," in *Oxford Dictionary of National Biography*.

¹¹² Brook Watson, "Letter to Sir Francis Baring (Chairman) and the Gentlemen of the Committee of Subscribers to the Patriotic Fund," in Lloyd's of London, *Proceedings of the Committee 1771-1804*, 169.

connection with government officials and the general arrogance of its leading members. Rather than continue placing classified ads in the leading papers, Francis Baring addressed a letter to the chief magistrates and mayors of cities, towns, and boroughs throughout England, Wales, Scotland, and Ireland asking for pecuniary support. The author of one editorial in *Cobbett's Annual Register* said of the document that —it would not have been very astonishing, if they had sent out a proclamation instead of a circular letter.”¹¹³ The writer continued:

What does astonish one, is, that they should, in this act of encroachment, have received the *sanction of government*, or, at least, the *aid of one of its officers!* The circular letter, coming from Sir Francis Baring, as chairman of the Committee, might...being franked and forwarded by the Secretary of the General Post-Office, who is, of course, understood to act under the direction of his superiors, entirely changes its nature; and to the hands of the magistrate, it now comes as a strong *invitation*, not to say a *command*, to raise money upon the people of his city, town or borough¹¹⁴

He wrote on: —The magistrates of the kingdom are invited, as they think, by the government, to *use all their influences*‘ in prevailing upon the people to give up their money” into what he termed a —committee of stock-dealers, a *self-created* club, assembled at a Coffee House at London.”¹¹⁵ The author decried the use of the government as *tax gatherers*” for the committee and he warned of the body’s emergence as a *formidable rival of St. James.*”¹¹⁶ The primary emotion that exudes from the article, however, is not just disgust at such unrestricted government support for a private entity but that the fund could —become an engine

¹¹³ —Summary of Politics,” *Cobbett's Annual Register*, 24 September 1803.

¹¹⁴ —Summary of Politics,” *Cobbett's Annual Register*, 24 September 1803.

¹¹⁵ —Summary of Politics,” *Cobbett's Annual Register*, 24 September 1803.

¹¹⁶ —Summary of Politics,” *Cobbett's Annual Register*, 24 September 1803. St. James was a fashionable residential area for many of the traditional gentry. Thus, the phrase *formidable rival of St. James,*” implies that not only new members of society, but those from a completely different class, that of the businessman and merchant, could now compete with the hereditary elite.

in the hands of the monied, against the landed.”¹¹⁷ Furthermore, the author was greatly concerned that members of the navy and army would become so attached to the merchant classes, that —when the interests of those traders are placed in open, as they already are in secret, opposition to those of the nobility, the landed gentry, and the clergy, who form the basis of the monarchy, *great danger may therefrom arise even to that monarchy itself.*”¹¹⁸ This expression of fear underscores the changing nature of wealth accumulation and the social stress that accompanied it. The editorial not only questioned the probity of placing such large sums into the hands of a private body but also attacked the institutionalized power of commercial society. In placing the committee at Lloyd’s at the center of a conspiratorial financial sector, which —look[s] upon all the other orders of society as made for their use,” the author exemplified the economic turmoil and development that occurred over the following century as the world began to industrialize.¹¹⁹ This criticism, while largely an anomaly during the first decade of the nineteenth century, nevertheless foreshadowed attacks from within the commercial world on Lloyd’s beginning in 1810-11.

¹¹⁷ —Summary of Politics,” *Cobbett’s Annual Register*, 24 September 1803.

¹¹⁸ —Summary of Politics,” *Cobbett’s Annual Register*, 24 September 1803.

¹¹⁹ —Summary of Politics, *Cobbett’s Annual Register*, 24 September 1803.

Chapter 2: Crisis and Rebirth

In the midst of martial turmoil, Lloyd's faced a threat of its own. The first serious menace to the company's underwriting monopoly came in 1809 when a powerful group of investors sought to persuade the House of Commons to repeal the monopoly granted nearly a century earlier.¹²⁰ In 1810 Alexander Baring (1773-1848), serving as M.P. for Taunton, led this first struggle in overturning the monopolies granted to the two chartered companies ninety years earlier.¹²¹ William Manning (1763-1835), sitting for Evesham, introduced a petition in this session for a bill to establish a new marine insurance company, because, he argued, those in existence did not have the assets necessary for the placement of any policy over £10,000.¹²² This limited funding posed an absolute impediment to their business, as even individual underwriters at Lloyd's could place much larger policies. For example, the largest risk covered until this year was on the *Diana*, a frigate carrying £656,800 worth of bullion and specie. All of this save £25,000 was taken by Angerstein.¹²³ This deficiency was both a credit to Lloyd's, as well as a source of great consternation among those merchants who felt unwillingly compelled to

¹²⁰ William D. Winter, *Marine Insurance: Its Principles and Practice* (New York: McGraw-Hill Book Company, 1919), 17.

¹²¹ House of Commons, "Marine Insurance Company," 14 February 1810, *Parliamentary Debates*, Commons, vol. 15, cols. 399-424, Online, (All Parliamentary Debates are courtesy of Hansard-Millbanks Systems); John Orbell, "Baring, Alexander, first Baron Ashburton (1773-1848)," in *Oxford Dictionary of National Biography*.

¹²² William Manning, Speech to the House of Commons, "Marine Insurance Company," 14 February 1810, *Parliamentary Debates*, Commons, vol. 15, col. 399.

¹²³ Wright and Fayle, *A History of Lloyd's*, 195; Joseph Marryat, "Copy of a Report proposed as an Amendment to the Report Adopted by the Committee upon Marine Insurance," in Joseph Marryat, *Observations upon the Report of the Committee on Marine Insurance with a Few Incidental Remarks on a Pamphlet Lately Published, entitled "A Letter to Jasper Vaux, Esq." to which is added, Copy of a Report, proposed as an Amendment to the Report Adopted by the Committee on Marine Insurance* (London: W. Hughes, 1810), 7. British Library, London.

place insurance through underwriters, who as individuals might become bankrupt.¹²⁴

Joseph Marryat, the prominent West India merchant and chairman of Lloyd's for much of the early nineteenth century, went to considerable efforts to derail this process.¹²⁵

Proponents of broadening the number of public companies, or at least dissolving the exclusive privileges granted through the 1720 Bubble Act, had four main criticisms of the current system: a supposed lack of competition that kept premiums artificially high, the potential insolvency of an individual should he not be able to cover his agreed share of the risk, a lack of underwriters available to cover the dramatic increase in shipping that occurred since the founding of New Lloyd's in 1771, and that many subscribers to the house were absent in the winter months and therefore unable to do business.¹²⁶

Marryat forwarded many of the arguments in Parliament against these accusations, not only in session, but in published pamphlets later reused in 1824, in particular his *Observations upon the Report of the Committee on Marine Insurance*. This document, coupled with his speeches as an MP, explains both the status of Lloyd's at the time as well as its self-perception.

The first charge against the current system dominated by individual underwriters was that as the various brokers all congregated at the house's offices at the Royal Exchange to find coverage, there existed no state of competition, giving Lloyd's a monopoly in the business. What this argument ignored, as Marryat pointed out, was that

¹²⁴ Manning, Speech to the House of Commons, —*Marine Insurance Company*," 14 February 1810, *Parliamentary Debates*, Commons, vol. 15, col. 400.

¹²⁵ "Yesterday Died Suddenly, in his counting-house, of a fit of apoplexy, Joseph Marryat, Esq., Chairman of Lloyd's," *Times* (London), 13 January 1824, 2; Joseph Marryat, Speech to the House of Commons, —*Marine Insurance Company*," 14 February 1810, *Parliamentary Debates*, Commons, vol. 15, col. 401-22.

¹²⁶ Manning, Speech to the House of Commons, —*Marine Insurance Company*," 14 February 1810, *Parliamentary Debates*, Commons, vol. 15, col. 400; Marryat, Speech to the House of Commons, —*Marine Insurance Company*," 14 February 1810, *Parliamentary Debates*, Commons, vol. 15, col. 404-12.

Lloyd's did not sell insurance. Rather, it served as an entrepôt where individuals, simply making use of the common space and intelligence resources the house had to offer, underwrote proposals put forward by brokers. The chairman focused on this discrepancy, writing,

Premiums are generally lower in Great Britain than in any other part of the world; and this appears to be the natural result of the present system of effecting marine insurances here by individual underwriters: for the extent of competition depends upon the number of competitors. Competition therefore is indisputably increased in proportion as underwriting is carried on by individuals, and diminished in proportion as it is carried on by companies.¹²⁷

Primarily addressing the issue of whether or not individual underwriting was a viable system for the great increase in trade at the beginning of the nineteenth century, Marryat stated in the House of Commons that the number of subscribers had grown significantly from 1771, from seventy-nine in that year to close to 1,500 in 1810.¹²⁸ Even taking into account the increase in shipping from £1,363,488 in 1778 to £2,368,468 in 1809 (58 percent growth), those available for placing policies greatly increased as a disproportionate percentage.¹²⁹ Assuming that by 1778 the number of underwriters grew, to even as much as 150, the 1,500 reached in 1810 was a 1,000 percent increase.¹³⁰ The system required brokers to obtain the best possible rate, which in essence forced individual underwriters to compete among themselves for business - at least in theory.¹³¹ Whether this always worked to the benefit of the broker is impossible to know, and it would be inappropriate to exclude the possibility of collusion occurring between

¹²⁷ Joseph Marryat, *Observations upon the Report of the Committee on Marine Insurance*, 40.

¹²⁸ Marryat, Speech to the House of Commons, —“*Marine Insurance Company*,” 14 February 1810, *Parliamentary Debates*, Commons, vol. 15, col. 412.

¹²⁹ This percentage does not take inflation into account.

¹³⁰ House of Commons, —*Reprt*; with Minutes of Evidence, and Accounts, from the Select Committee on Marine Insurance,” *Sessional Papers, 1810 (226)*, 4.

¹³¹ Foster, *The Clerk's Guide*, 206.

members of Lloyd's, especially with alternative options virtually nonexistent. One merchant, John Inglis (d. 1822), a subscriber to the coffee house as well as the proposed new company, indicated that this certainly occurred and that there existed ~~a~~ want of competition among those leading persons in the Coffee-house who fix the premiums."¹³²

Marryat next sought to convince Parliament that the fear of insolvent subscribers was not a realistic risk and by examining statistics, primarily from the war years at the turn of the century, that the claim had little basis in historical reality. The Select Committee on Marine Insurance in its investigation of the matter called in numerous witnesses, mostly merchants, to inquire into whether or not sufficient and safe opportunities existed for the placing of insurance. In doing so, the questioners brought forward evidence of several major losses that were not covered from the end of the American Revolution. Inglis, a general merchant who regularly did business at Lloyd's, stated that in the war, taking for example the capture of a fleet bound for Quebec, ~~There~~ were some considerable failures at that time (by underwriters), and others who were in better circumstances, and conceived themselves competent to their engagements, quitted the Coffee-house from the great losses they had sustained, to give them time to look into their affairs and wind up their accounts."¹³³ In 1810 the same individual also stressed the possibility of this recurring during the ongoing conflict with France, particularly in the

¹³² In addition to his insurance concerns, Inglis was also on the Board of Directors of the East India Company, for at least the year 1813. ~~Sales by Auction,~~ *The Times* (London), 11 November 1822, 4. ; House of Commons, ~~—Reprt;~~ with minutes of Evidence, and Accounts, from the Select Committee on Marine Insurance," *Sessional Papers, 1810 (226), Marine Insurance*, 50. Inglis was also Chairman of the London Dock Company. See Joseph Marryat, *Observations on the Application of the West India Dock Company for a Renewal for their Charter with Analysis of the Evidence Given before the Committee of the House of Commons on Foreign Trade, to which their Petition was Referred: and a Copy of the Report of the Said Committee* (London: J.M. Richardson, Comhill, and Ridgways, 1823), 87; East India Company, ~~—Minute of a Committee of the Court of Directors, Dated the 15th of July 1813,~~ *The Times* (London), 20 July 1813, 2.

¹³³ House of Commons, ~~—Reprt;~~ with minutes of Evidence, and Accounts, from the Select Committee on Marine Insurance," *Sessional Papers, 1810 (226), Marine Insurance*, 47, 49.

Baltic.¹³⁴ Inglis explained that the failures were not only attributable to enemy activities but also to the peace, which provided both hardships and profits. The former resulted from —premiums being reduced to a peace rate,” so that brokers who dealt with insurers with smaller capital could not maintain their accounts through new premiums, or at least enough to enable them to cover their losses. Conversely, for those fortunate enough, the conclusion of hostilities would initiate a brief period when vessels insured under the much higher wartime premiums would be drastically less likely to be captured or lost, thus bringing in higher profits.¹³⁵ When directly asked whether or not the merchants of the City were satisfied with the quality and availability of insurance in the metropolis, Inglis did not hesitate in his criticism:

The two Companies may be presumed to be pretty nearly obsolete, when compared with the present extent of the business of the country; and the extension of the trade has brought to Lloyd’s Coffee-house a very great number of insurers in proportion to the number which used to be there...but how far these numbers have added to the security of the Merchant, or the reputation of the Coffee-house, I am not prepared to give a positive opinion.¹³⁶

Marryat, in his usual manner, stood his ground and disputed these allegations, attacking any form of corporate insurance. Going back twenty years, the chairman indicated that ninety-four merchant houses had failed to pay their premiums, while only seven underwriters had failed to cover losses on policies.¹³⁷ He also did not fail to mention that in those insolvent houses were to be found ~~members~~ members of Parliament, directors of the great corporate bodies, and individuals who were known to be possessed of immense

¹³⁴ Commons, —Report; with Minutes of Evidence, and Accounts, from the Select Committee on Marine Insurance,” 47.

¹³⁵ Commons, —Report; with Minutes of Evidence, and Accounts, from the Select Committee on Marine Insurance,” 48.

¹³⁶ Commons, —Report; with Minutes of Evidence, and Accounts, from the Select Committee on Marine Insurance,” 50.

¹³⁷ Marryat, *Observations upon the Report of the Committee on Marine Insurance*, 48-9.

property.”¹³⁸ He also detailed the manner in which funds were collected and paid, to both underwriters and brokers, in such a way that most of those who guaranteed policies were able to pay their debts, ~~unless~~ they exceed all reasonable proportion to his premiums.”¹³⁹ In a sweeping survey of the largest setbacks of the current war, including the capture of the Mediterranean fleet, the ~~condemnation~~ of the American vessels by France and Spain,” the seizure of British ships in Russian ports, and heavy damages to vessels off the coast of Africa, Marryat wrote that even these did not create ~~any~~ failures worth noticing among the underwriters at Lloyds.”¹⁴⁰ While this impressive resumé indicates the strength of the underwriting house, it does not, however, do much to counter the argument of the merchants, to whom a small failure at Lloyd’s by the bankruptcy of one of its members could have meant a considerable loss for the businessman.

Drawing on the failures of the 1710s and 20s, he further argued that the only reason for the existence of companies was to do what the individual could not, such as the construction of wet docks and canals.¹⁴¹ Nevertheless, in recent years he had criticized and recommended that even these charters not be extended.¹⁴² Furthermore, taking the example of the fire insurance companies, Marryat sought to bring attention to a pending bill seeking to their preference for ~~their~~ own interests to the security of the public, the object for which they were established.”¹⁴³ Spencer Perceval (1762-1812) spoke to this concern in 1811 when Baring motioned for the Marine Insurance Bill to be read a second time on behalf of the two already chartered companies, arguing against its

¹³⁸ Marryat, *Observations upon the Report of the Committee on Marine Insurance*, 49.

¹³⁹ Marryat, *Observations upon the Report of the Committee on Marine Insurance*, 51.

¹⁴⁰ Marryat, *Copy of a Report Proposed as an Amendment*, 10.

¹⁴¹ Marryat, *Observations upon the Report of the Committee on Marine Insurance*, 57. Marryat was also a principle proponent of the docks built at the turn of the century. See Joseph Marryat, *Observations on the Application of the West India Dock Company*, 1, 72-3.

¹⁴² Marryat, *Observations upon the Report of the Committee on Marine Insurance*, 57.

¹⁴³ Marryat, *Observations on the Application of the West India Dock Company*, 32-3.

passage for reasons that provide a unique insight into the development of business practices and structure that foreshadowed the incredible growth of corporations during the century. Perceval strongly objected to a company formed without a charter and questioned such an entity's liability. Primarily, if such a group of merchants were united, not through the traditional manner, how were they to be sued? If the secretary were held responsible, how could the plaintiff(s) expect to have any protection for their property¹⁴⁴ Should every shareholder be accountable? For these reasons, which had not yet been worked out, Perceval could not lend his support. Attorney General Vicary Gibbs (1751-1820) echoed this sentiment, because "by taking away the liability from the members, the security of the public must be diminished."¹⁴⁵ After more brief discussion, including an objection by Solicitor General Thomas Plumer (1753-1824), who believed it would lessen competition and a reiteration by Baring that more insurance markets were needed, the House voted against the bill going to a committee with a majority of just one vote.¹⁴⁶

Still in 1810, before the vote, the chairman of Lloyd's articulated perhaps his most prescient and incisive point concerning the strengths of the current system:

It is impossible that the acting director or secretary of a public office, should possess the same knowledge, as to the extent of every new description of risk, the same information as to the means by which the decrees of the enemy may be eluded, as 1,500 underwriters, mostly men of commercial habits, and consequently commercial knowledge, daily collected together for the purpose of communicating and receiving intelligence; whose judgments on these subjects are formed and confirmed by constant habits of individual application and mutual discussion, *and*

¹⁴⁴ "Imperial Parliament: House of Commons, Marine Insurance," *Caledonian Mercury* (Edinburgh), 7 March 1811.

¹⁴⁵ "Imperial Parliament: House of Commons, Marine Insurance," *Caledonian Mercury* (Edinburgh), 7 March 1811.

¹⁴⁶ "Imperial Parliament: House of Commons, Marine Insurance," *Caledonian Mercury* (Edinburgh), 7 March 1811. Not necessarily connected, but interesting, is the assassination of Perceval by a disgruntled merchant just over a year later. See P. J. Jupp, "Perceval, Spencer (1762-1812)," *Oxford Dictionary of National Biography*.

*who concentrate the scattered rays of information...into one focus at Lloyd's.*¹⁴⁷

Over the next twelve years, the committee at Lloyd's sought to protect itself from further assault, largely through internal reforms and by focusing on strengthening the intelligence network emphasized by Marryat. One meeting from 1800 that examined expenses aptly demonstrated an existing deficiency in this area. Payments for the year, totaling £251.3.6, included £10.10 to a Mr. Owen, from the India House for intelligence, £27.5.6 for Admiralty messengers, and £18.7.6 for foreign newspapers.¹⁴⁸ Altogether, these payments made up nearly 23 percent of the association's operating budget. In addressing the issue in 1810-11, however, the association recognized some defects in their organization, particularly the informal manner in which information was gathered.

A decade later, subscribers to Lloyd's also indicated a lack of trust in the governing body, which they asserted might have withheld valuable information from the Baltic obtained by a contact in the Admiralty.¹⁴⁹ The result of these various factors coming to the forefront was a drastic reorganization in 1811, principal among the changes was the creation of a new committee of correspondence, whose membership rotated every month, and most significantly, had the power to appoint domestic and foreign agents.¹⁵⁰ Additionally, those on the new committee could take legal action against those who sought to or succeeded in defrauding the subscribers.¹⁵¹ Essential to this last responsibility was the ability to accurately assess potential for deception. The agency

¹⁴⁷ Joseph Marryat, Speech to the House of Commons, "Marine Insurance Company," *Parliamentary Debates*, Commons, vol. 15, 408. Emphasis mine.

¹⁴⁸ Lloyd's of London, "Lloyd's 29 January 1800 at a Meeting of the Committee held this day. Present Mr. Cure, Bell, Curling, Vaux, Bourdieu, Christie," in Lloyd's of London, *Proceedings of Committee: December 1771-1804* (London: Lloyd's of London, 1804), 96.

¹⁴⁹ Wright and Fayle, *A History of Lloyd's*, 261-66.

¹⁵⁰ Wright and Fayle, *A History of Lloyd's*, 270.

¹⁵¹ Wright and Fayle, *A History of Lloyd's*, 272.

system that developed over the next ninety years significantly contributed to Lloyd's success in this area.

The 1811 publication of the new rules and regulations of Lloyd's and the accompanying instructions for agents offer particular insight into the new priorities and goals held by subscribers and committee members. The document contains numerous provisions relating to the firm's operation, governance, and membership. The most important of these allowed for the regular payment of subscriptions, a new committee with sub-committees for correspondence and treasury, and the employment of a secretary for the day-to-day running of the house's affairs.¹⁵² A deed of trust accompanied these new regulations, which every current and future member had to recognize and sign.¹⁵³

In 1811, the capital stock of the subscribers consisted of £24,000 £3 per cent. consolidated annuities, with £1093 12s. 11 d. in cash.¹⁵⁴ Members granted these funds in trust to the committee of the treasury, originally composed of Joseph Marryat, M.P., Horatio Clagett, Robert Shedden and Joshua Reeve.¹⁵⁵ In the future, these resources were supplemented with £25 deposits by each new subscriber. Furthermore, the new regulations obligated every member and substitute to pay a four guinea annual fee for the masters and waiters.¹⁵⁶ The masters were responsible for the sums received for

¹⁵² Lloyd's of London, *The Rules and Regulations of Lloyd's: With a Copy of the Trust Deed, and Copies of the Instructions to the Agents* (London: W. Hughes, 1813), 38-45. Courtesy of Gale Databases, University of Oklahoma, Goldsmith's-Kress Library of Economic Literature.

¹⁵³ Lloyd's of London, *Rules and Regulations*, 30-36.

¹⁵⁴ Lloyd's of London, *Rules and Regulations*, 31-32.

¹⁵⁵ Lloyd's of London, *Rules and Regulations*, 32.

¹⁵⁶ Lloyd's of London, *Rules and Regulations*, 38. The terms "Master" and "Waiter" were relics from Lloyd's days as a true coffee house and helped run the house's daily affairs. A substitute was someone who could conduct business on behalf of a subscriber in their absence.

substitutes, which were to be held for any expenses following the expiration of their lease in the Royal Exchange or for other possible, unspecified purposes.¹⁵⁷

The reorganization of the committee, and the powers vested in it, represented a clearly defined point of departure from the more informal organization that had been the standard for the previous forty years. The committee of Lloyd's, since its formation in 1772, had primarily been concerned with securing accommodations, but during the numerous conflicts that occupied the turn of the next century, this group became more interested in the general status of members' interests, especially in relation to the government.¹⁵⁸

The entity itself consisted of twelve members, elected through a general meeting of subscribers. Three of those who received the lowest number of votes rotated out at the end of each year. The committee chose from amongst themselves a chairman, the first of whom was Joseph Marryat.¹⁵⁹ The members also chose a committee of the treasury that served as trustees for the general body of subscribers and was vested with control of the association's funds.¹⁶⁰

Of particular importance to the future development and sustainability of Lloyd's of London, however, was the establishment of the committee of correspondence. The by-laws required this group of two to meet daily to review intelligence, as mentioned above and to take responsibility for ~~arranging~~ the necessary communications to be put on the board, for the information of the Subscribers, and superintending the letters to be written

¹⁵⁷ Lloyd's of London, *Rules and Regulations*, 38.

¹⁵⁸ Palmer, "The Indemnity in the London Marine Insurance Market, 1824-50," in *The Historian and the Business of Insurance*, ed. Oliver M. Westall (Dover, N.H.: Manchester University Press, 1984), 75.

¹⁵⁹ Rosemary Mitchell, "Palliser, Fanny Bury (1805-1878)," in *Oxford Dictionary of National Biography*; Lloyd's of London, *Rules and Regulations*, 40, 31.

¹⁶⁰ Lloyd's of London, *Rules and Regulations*, 40.

to the Public Departments of Government, or to Foreign Correspondents.”¹⁶¹

Additionally, rules granted the larger committee of Lloyd’s permission to employ their own legal advisers in cases that benefited the broad or individual interests of subscribers.¹⁶² In conjunction, the committee now had the power to appoint agents in ~~any~~ ports or places they may think proper, under such regulations and restrictions as their legal advisers may recommend.”¹⁶³ Requirements stipulated that a list of these new persons be published annually, along with the list of subscribers.¹⁶⁴ The committee, however, was forbidden to grant pecuniary gratuities or payment for services out of the funds held in trust without the consent of a general meeting of the subscribers.¹⁶⁵ A provision in the deed of trust signed by all members somewhat abrogated this restriction and paved the way for another key component of Lloyd’s intelligence gathering network nearly fifty years later: the signal station, which was owned by the corporation and responsible for tracking ships and reporting on their status. The funds held in trust by the committee of the treasury could be used to —indemnify the said Trustees, and each of them, and each of their executors, administrators, and successors, against the payment of the Rent, Taxes, Repairs, and other outgoing of the premises, that now are, *or hereafter may be occupied by, or for the use and accommodation of the subscribers.*”¹⁶⁶ The statement continues by granting the use of communal funds by the trustees or their successors for ~~other~~ engagements, or liabilities” as they ~~may~~ hereafter be authorized to enter into, or may bona fide incur, for the use, benefit, or accommodation of such

¹⁶¹ Lloyd’s of London, *Rules and Regulations*, 40-1.

¹⁶² Lloyd’s of London, *Rules and Regulations*, 43.

¹⁶³ Lloyd’s of London, *Rules and Regulations*, 43.

¹⁶⁴ Lloyd’s of London, *Rules and Regulations*, 43.

¹⁶⁵ Lloyd’s of London, *Rules and Regulations*, 43.

¹⁶⁶ Lloyd’s of London, —Copy of Deed of Trust signed 30 August 1811,” in Lloyd’s of London, *The Rules and Regulations of Lloyd’s: With a Copy of the Trust Deed, and Copies of the Instructions to the Agents* (London: W. Hughes, 1813), 33-34. Emphasis mine.

subscribers.”¹⁶⁷ This landmark deed firmly established the necessary framework for the development of Lloyd’s global intelligence network, as it allowed a subscriber’s wealth, held in trust, to be used for the mutual benefit of other subscribers to Lloyd’s, as well as the general public, many of whom had little knowledge of other parts of the world.

The principal intent behind establishing the agency system was to detect, prevent, and “diminish the temptation” to defraud the underwriters.¹⁶⁸ Likewise, the committee expected that those appointed to the position would make this their priority. Additionally, those who filled the office within Great Britain were also responsible for providing “prompt and regular advices of the arrival and sailing of vessels, of their being in circumstances of danger and distress, of the appearance of any enemy’s cruisers or privateers, and such other information as may be important to the interests of the Underwriters.”¹⁶⁹ Legal counsel advised not to grant them power of attorney, as the underwriters were not a corporate body, but suggested to those filling the post that the regulations adopted and secured under the Deed of Trust would carry sufficient weight to make that unnecessary.¹⁷⁰

The instructions dictated that agents should make themselves available to shipowners or masters whenever asked, particularly when neither an underwriter nor their principal was available.¹⁷¹ The list of possible ways in which this could be rendered was quite exhaustive and extended to those not even necessarily covered by a Lloyd’s policy,

¹⁶⁷ Lloyd’s of London, —Cpy of Deed of Trust,” 34.

¹⁶⁸ Lloyd’s of London, —Cpy of Letter of Instructions to Agents in Great Britain,” in Lloyd’s of London, *The Rules and Regulations of Lloyd’s: With a Copy of the Trust Deed, and Copies of the Instructions to the Agents* (London: W. Hughes, 1813), 51.

¹⁶⁹ Lloyd’s of London, —Cpy of Letter of Instructions to Agents in Great Britain,” 52.

¹⁷⁰ Lloyd’s of London, —Cpy of Letter of Instructions to Agents in Great Britain,” 52.

¹⁷¹ Lloyd’s of London, —Cpy of Letter of Instructions to Agents in Great Britain,” 53.

particularly when a vessel was wrecked upon a shore near the resident port.¹⁷² Agents provided assistance in procuring the best materials available for repairs, drafted correct and accurate statements from the masters as to the nature of any damage, rebutted exaggerated claims made by the salvors, ensured proper legal procedures were followed, prevented the waste and plunder of any damaged merchandise, and monitored the sale of the same for the benefit of the underwriter.¹⁷³ When working directly on behalf of underwriters fulfilling the obligations of a policy, they were ~~to~~ take care that the repairs...are confined to the damages actually received on the voyage then insured, and not extend to those that may have been received on any former voyage, or to defects arising from age.”¹⁷⁴ Concurrently, Lloyd’s new representatives, only the most ~~h~~onorable, intelligent, and professional” men available, were responsible for averting any potential fraud.¹⁷⁵ These instructions were remarkable in that under no circumstances, save charges for which the underwriter was directly responsible, was the agent to seek any financial support or remuneration from Lloyd’s itself. By acting as a pro bono representative for the London house, Lloyd’s could gain ever more valuable recognition for quality of service while the agent, often wearing multiple hats in the port city, secured new business contacts and employment from local sources.

In line with this financial distance from the corporation itself, representatives were to limit all correspondence with the committee to those points directly of interest to the ~~g~~eneral body of the Underwriters.” Information of this nature could be addressed to ~~H~~er Majesty’s Post-Master-General, Lloyd’s London,” indicating that the postage

¹⁷² Lloyd’s of London, —Cpy of Letter of Instructions to Agents in Great Britain,” 54.

¹⁷³ Lloyd’s of London, —Cpy of Letter of Instructions to Agents in Great Britain,” 54-5.

¹⁷⁴ Lloyd’s of London, —Cpy of Letter of Instructions to Agents in Great Britain,” 55.

¹⁷⁵ Lloyd’s of London, —Cpy of Letter of Instructions to Agents in Great Britain,” 56.

agreement reached in the eighteenth century was still in full effect. Confidential communication, on the other hand, was to be addressed to John Bennett, the newly appointed secretary.¹⁷⁶

Agents outside of the British Isles had additional duties, largely relegated to cases of capture and recapture, condemnations of ships and cargoes, repairs of vessels, and goods damaged by salt water.¹⁷⁷ The committee particularly warned them against allowing the sale of an entire cargo of goods when only a few pieces had been damaged. This practice, the committee advised, was wholly illegal. Agents in ports abroad were also expected to be familiar with local laws, especially in relation to tariffs and duties.¹⁷⁸ Above all, instructions stressed the committee's reliance on the agent's judgment and discretion. The London underwriters had only to observe that they require such premiums as experience has taught them to calculate will indemnify them for the risks they take; and that, as they are obliged to make the good pay for the bad, it is the interest of every honest merchant to protect them against imposition.¹⁷⁹

In the set of instructions each agent received in 1813, the committee reminded them of the numerous applications they had received by persons of the first respectability.¹⁸⁰ By examining the published lists of agents over the next decade, one can see that this statement was not only complimentary, but accurate, particularly abroad.¹⁸¹ The 1821 list included representatives that held numerous high level diplomatic positions. Agents in Gothenburg, Hamburg, Naples, Venice, Patras (Greece),

¹⁷⁶ Lloyd's of London, —Cpy of Letter of Instructions to Agents in Great Britain," 57.

¹⁷⁷ Lloyd's of London, —Cpy of Letter of Instructions to Agents Abroad," in Lloyd's of London, *Rules and Regulations*, 58.

¹⁷⁸ Lloyd's of London, —Cpy of Letter of Instructions to Agents Abroad," 60.

¹⁷⁹ Lloyd's of London, —Cpy of Letter of Instructions to Agents Abroad," 61.

¹⁸⁰ Lloyd's of London, —Cpy of Letter of Instructions to Agents in Great Britain," 52.

¹⁸¹ —Respectability" in this instance is meant to convey social status, not personal morality.

Odessa, St. Michael's (most likely in Barbados), and the Canary Islands were Consul Generals. Stockholm, Vienna, Alicant (Spain), Barcelona, Bahia and Maranham (Brazil), New Orleans, Norfolk (Virginia), and Rhode Island employed Consuls. Vice Consuls represented Lloyd's in Cuxhaven, Dieppe, Gijon, Corunna and Murveidro (Spain), Terceira and Fayal (Azores), Mogadore (Morocco), Portland, Bath and Wicasset in Canada.¹⁸² In all, Lloyd's used agents in nearly 280 different ports around the world within ten years of implementing the system.¹⁸³

By 1851 this number had nearly doubled to 450.¹⁸⁴ Accordingly, the number of government employees concurrently serving as agents for Lloyd's increased. Those stationed in the British Isles included six naval officers, foreshadowing the vast commitment of Admiralty resources to the corporation's signal stations half a century later.¹⁸⁵ Abroad, Bayonne (France), Brest, Cagliari, Cape Verde Islands, Cadiz, Cartagena, Galatz and Ibrail (Romania), Granville (Trinidad), Jaffa, Liberia, Malaga (Spain), Syra (Sweden), Varna (Romania), and Vyborg all hosted Consuls.¹⁸⁶ Lloyd's utilized Vice Consuls in many more ports, including Brake, Bremerle and Bremerhaven, Bremen (all in Germany), Gijon, Gonaives (Haiti), Kertch (Russia), Maceio (Brazil), Myteline (Greece), Portland, Bath and Wicasset, Reval (Estonia), Rio Hacha (Columbia),

¹⁸² Lloyd's of London, *A List of the Subscribers to Lloyd's also a List of the Agents; and a Copy of Their Appointment and Instructions*, vol. 14, 13 December 1821 (London: W. Hughes, 1822), 26-32, Guildhall Library, London, United Kingdom.

¹⁸³ Lloyd's of London, *A List of the Subscribers to Lloyd's also a List of the Agents; and a Copy of Their Appointment and Instructions*, vol. 14, 13 December 1821, 26-32.

¹⁸⁴ Lloyd's of London, *A List of the Agents to Lloyd's: with a Copy of their Appointment and Instructions*, 31 December 1851 (London: A. Williams, 1852), 3-6, 22-29, in Lloyd's of London, *A List of the Members of Lloyd's and Subscribers to the Underwriting and merchants' Rooms: also a List of the Agents with a Copy of their Appointment and Instructions*, 31 December 1851, Vol. 16 (London: A. Williams, 1852). Guildhall Library. London. United Kingdom.

¹⁸⁵ Lloyd's of London, *A List of the Agents to Lloyd's: with a Copy of their Appointment and Instructions*, 31 December 1851, 3-6.

¹⁸⁶ Lloyd's of London, *A List of the Agents to Lloyd's: with a Copy of their Appointment and Instructions*, 31 December 1851, 22-29.

St. Ubes (Portugal), St. Valery-sur-Somme, Stavanger (Norway), Taganrog (Russia), Terceira (Azores), and Trebizond (Greece).¹⁸⁷ By 1880 the underwriting house had 605 agencies and 403 sub-agencies around the world.¹⁸⁸

In an era before the use of steam ships and the telegraph, the breadth and depth of intelligence Lloyd's was able to gather, even by as early as 1822, is notable and can be seen in a multiyear argument with the Admiralty. In that year, the committee of Lloyd's started a heated public discussion concerning what they alleged to be insufficient protection of business interests from piracy, and therefore excessive payments on policies, that brought into question not only the government's ability to protect against piracy but their sources of information and integrity. In July pirates captured and plundered two vessels, the *Vittoria* and *Industry*. The assailants took the sailors on board, where they were to be shot one by one until the captain was himself murdered by the crew. The new leader put all their captives on board the *Industry*. On 10 August, the brig H.M. *Carnation*, under Captain Walcott, apprehended them and arranged for safe passage to Jamaica. Captain Hearn and his crew on the *Vittoria* survived to confirm this account. A third letter from a Captain Barclay indicated that the commander of the *Carnation*, on his way to Jamaica with specie (gold and silver coins), boarded his ship and warned of the recent attacks off Saddle Hill (Cuba). On 19 August 1822, pirates plundered another vessel, the *Edward Protheroe*, in the same location.¹⁸⁹ The committee subsequently wrote to the Admiralty rather tamely indicating their awareness that the captain of the *Carnation*, who had full knowledge of the threat to shipping in the Saddle Hill area, was

¹⁸⁷ Lloyd's of London, *A List of the Agents to Lloyd's: with a Copy of their Appointment and Instructions*, 31 December 1851, 22-9.

¹⁸⁸ Wright and Fayle, *A History of Lloyd's*, 384.

¹⁸⁹ "Meeting at Lloyd's," *The Bristol Mercury*, 4 November 1822, npn.

instead carrying coins to Jamaica for the payment of the captains and the admiral at that station.¹⁹⁰ John Wilson Croker (1780-1857), secretary to the Admiralty, disputed this assertion without presenting any corroborating testimony.¹⁹¹ The underwriter's ensuing assertiveness represented a new level of confidence on behalf of Lloyd's and a shift in the nature of the relationship between the house and the government.

In correspondence between Croker and the governors of Lloyd's, the former invited the latter to call upon him at the Admiralty offices in Westminster, ostensibly to discuss the allegations that the Royal Navy had neglected its duties. The secretary, however, never stated the exact purpose of the visit. In a flurry of communication, the members refused, citing a desire not to establish a precedent for attending to any unspecified beck and call of Admiralty officials that —might be attended with material inconvenience to themselves and their successors."¹⁹² The Lords of the Admiralty, in turn, saw —in your letters such marked disrespect to the board of Admiralty, and so little confidence in their communications," that they directed Croker to suspend all future correspondence with the committee.¹⁹³ At the general meeting during which concerned parties discussed these issues, Lloyd's guardians reaffirmed their confidence in their own intelligence gathering and openly acknowledged the stubborn persistence of the Admiralty's contention that the *Carnation* was in the area in fulfillment of its perceived

¹⁹⁰ Lloyd's of London, —Aa special Meeting of the Committee held this day, in consequence of a note from Mr. Croker, Secretary of the Admiralty, requesting to see two of the Members this day between one and two o'clock," 14 October 1822, in Lloyd's of London, *Committee Proceedings 20 March 1822-26 December 1832* (London: Lloyd's of London, 1832) 28, Guildhall Library, London, United Kingdom; —Meeting at Lloyd's, *The Bristol Mercury*, 4 November 1822.

¹⁹¹ Lloyd's of London, —Aa very numerous Meeting of the Subscribers held this day, Joseph Marryat Esq. M.P. in the Chair. Read copies of correspondence between the Admiralty and the Committee, from the 9 to the 19th Inst, both days inclusive," in Lloyd's of London, *Committee Proceedings 20 March 1822-26 December 1832* (London: Lloyd's of London, 1832), 18, MS31571, Guildhall Library, London, United Kingdom.(GL)

¹⁹² Lloyd's of London, —Croker Meeting," 22, 23-8, GL.

¹⁹³ Lloyd's of London, —Croker Meeting," 28, GL.

duty to protect shipping.¹⁹⁴ Adding additional injury, an unidentified speaker mentioned the superior protection given by the United States Navy.¹⁹⁵ In response to the cessation of information provided by the Admiralty, another stressed that —they may with truth observe, that in time of peace, the communications from the Board, are chiefly acknowledgments of information given to them.”¹⁹⁶ The speaker continued, —Occasionally they are applied to, to send out Cruisers with provisions and water for the homeward bound trade, but as their Lordship must know when a prevalence of Easterly wind renders such assistance necessary, as well as your Committee can tell them these applications may be dispensed with or if considered necessary may be made through other channels.”¹⁹⁷ In a further affirmation of Lloyd’s ability to operate without government assistance, a subscriber boasted —that their sources of intelligence are so extensive—indeed I might say, so universal—that the Admiralty sometimes obtains information from them, which they probably would not so promptly procure from any other quarter.”¹⁹⁸ Not wishing to alienate others, however, he added that other means of conveyance could be used for information essential to the —public service.”¹⁹⁹

The matter did not stay between Lloyd’s and Admiralty officials. Not only did newspapers such as *The Bristol Mercury* publish the proceedings of the meeting, but in the following week, a public posting at the underwriting house sought to further embarrass the Admiralty. *The Peacock*, an American warship, gave protection for two days to a British merchant vessel. Later boarded by pirates, the captain indicated that he

¹⁹⁴ Lloyd’s of London, —Crker Meeting,” 28, GL.

¹⁹⁵ Lloyd’s of London, —Crker Meeting,” 34, GL.

¹⁹⁶ Lloyd’s of London, —Crker Meeting,” 34-5, GL.

¹⁹⁷ Lloyd’s of London, —Crker Meeting,” 34-5, GL.

¹⁹⁸ —Meeting at Lloyd’s, *The Bristol Mercury*, 4 November 1822.

¹⁹⁹ —Meeting at Lloyd’s, *The Bristol Mercury*, 4 November 1822.

saw no ship of war from his own country in the area. The owners of the trading vessel and the underwriters involved, ~~in~~intend[ed] to testify their approbation of American liberality, in protecting the trade of all nations,” by presenting a gift to the captain of the savior ship.²⁰⁰

The following March, in 1823, in a spirited, but largely impotent motion, Marryat requested before the House of Commons that all possible communication used by the Admiralty in their claims be made available for general scrutiny to demonstrate the ineffective and inadequate protection of trade.²⁰¹ The information provided by this branch of the government had to be accurate, he argued, because ~~in~~ot only all the great commercial and political interests of the country are affected by them; but contracts for insurance of property, to an immense amount, are made upon the faith of the representations they contain; and great injustice is done between man and man if these representations be inaccurate.”²⁰² After several members criticized his denouncement of Admiralty officials and questioned the appropriateness of the measure, Marryat withdrew the motion ~~in~~ that spirit of conciliation which had been recommended.”²⁰³

Not until one year later, in February 1824, did communication, at least that made publicly available, resume. In this message, government officials announced that they would begin regular convoys from Falmouth to Gibraltar and on to the Mediterranean. Croker, however, did not sign the letter, something which the *Morning Chronicle*

²⁰⁰ ~~in~~News, Foreign and Domestic,” *Liverpool Mercury*, 8 November 1822.

²⁰¹ Joseph Marryat, Speech to the House of Commons, 4 March 1823, *Parliamentary Debates*, Commons, vol. 8, col. 416-27.

²⁰² Marryat, Speech to the House of Commons, 4 March 1823, *Parliamentary Debates*, Commons, vol. 8, col. 417.

²⁰³ Marryat, Speech to the House of Commons, 4 March 1823, *Parliamentary Debates*, Commons, vol. 8, col. 435.

attributed to the ~~extreme~~ delicacy of his feelings.”²⁰⁴ The article continued, however, to presume that the war with Algiers, which gave him claim to his war salary, would be ~~extremely~~ consolatory to his apparently wounded spirit, and amply remunerate him for the degradation he must feel when his duty compels him to address the Committee of Underwriters at Lloyd’s.”²⁰⁵

Despite these considerable achievements and efforts to improve, in 1824 the century-old default monopoly held by individual underwriters finally came to an end. In that year, a new coalition of merchants and financiers, including Nathan Rothschild (1777-1836), Samuel Gurney (1786-1856), Moses Montefiore (1784-1885) and, again, Alexander Baring, proposed the Alliance Insurance Company.²⁰⁶ Introduced on 17 May 1824, proponents of the Marine Insurance Bill sought to end the market dominance held by the Royal Exchange and London Assurance corporations and, as a result, allow the creation of new corporate bodies for this purpose.²⁰⁷ On both sides, advocates used many of the same arguments from fourteen years earlier, and the House of Commons, in investigating the issue, even had the 1810 committee report reprinted.²⁰⁸ The debates also proceeded in a similar manner, with Sir Thomas Fowell Buxton (1786-1845), M.P. for Weymouth, arguing on behalf of the motion, and again principally concerned with the supposed lack of competition, individual bankruptcy, and the insufficient number of sources from which insurance was available.²⁰⁹

²⁰⁴ ~~City~~, Wednesday Evening,” *The Morning Chronicle*, 26 February 1824.

²⁰⁵ ~~City~~, Wednesday Evening,” *The Morning Chronicle*, 26 February 1824.

²⁰⁶ Palmer, ~~The Indemnity in the London Marine Insurance Market, 1824-50~~,” 76.

²⁰⁷ ~~The Imperial Parliament: House of Lords~~,” *The Morning Chronicle*, 22 June 1824.

²⁰⁸ House of Commons, ~~Report from the Select Committee on Marine Insurance (Sess. 1810)~~,” *Sessional Papers, 1824 (298), Marine Insurance*.

²⁰⁹ Thomas Fowell Buxton, Speech to the House of Commons, ~~Marine Insurance Bill~~,” 17 May 1824, *Parliamentary Debates*, Commons, vol. 11, col. 767-70. Buxton was also heavily involved with the abolition of the slave trade, elected vice-president of Wilberforce’s Anti-Slavery Society in 1823. See Mary

A close examination of those participating in the public debate over the bill offers significant insight into the role financial and personal networks played in politics and the formation of legislation. Buxton, for example, was the brother-in-law of Samuel Gurney (1786-1856), one of the principal forces behind the proposed legislation.²¹⁰ For Lloyd's, MPs Alderman William Thompson (1793-1854) and Thomas Wilson (1792-1869), both subscribers, took the lead in the House of Commons. Thompson had made his fortune in ironworks, amassed a considerable fortune which he diversified in interests throughout London but most heavily in marine insurance. Additionally, he was actively involved in city politics, serving as lord mayor 1828-29, alderman from 1821 until his death, and director of the Bank of England in 1829. At his death he had a fortune of nearly £1,000,000 – comparable to Rothschild's.²¹¹ In the 1824 debates, he spoke at considerable length and presented a petition from 500 individuals associated with the insurance industry who opposed the legislation.²¹² Likewise, Thomas Wilson, the head of a prominent underwriting house and an MP, presented petitions against the bill.²¹³ Lloyd's also used the services of six other subscribers to present opposition to the Alliance initiative.²¹⁴

These individuals proposed several different amendments to derail the process, including one that would postpone the commencement of the bill until the year 2000.

Olwyn Blouet, "Buxton, Sir Thomas Fowell, first baronet (1786–1845)," in *Oxford Dictionary of National Biography*.

²¹⁰ Blouet, "Buxton, Sir Thomas Fowell, first baronet (1786–1845)," in *Oxford Dictionary of National Biography*; Edward H. Milligan, "Gurney, Joseph John (1788–1847)," in *Oxford Dictionary of National Biography*; G. C. Boase, "Gurney, Samuel (1786–1856)," rev. M. W. Kirby, in *Oxford Dictionary of National Biography*.

²¹¹ Martin Daunt, "Thompson, William (1793–1854)," in *Oxford Dictionary of National Biography*.

²¹² "House of Commons," *The Morning Chronicle*, 31 May 1824.

²¹³ Lloyd's of London, "A General Meeting of the subscribers, held this day, Benjamin Shaw, Esq. in the Chair," 28 July 1824, in Lloyd's of London, *Committee Proceedings 20 March 1822-26th December 1832* (London: Lloyd's of London, 1832), 99-101. Guildhall Library, London.

²¹⁴ Lloyd's of London, "A General Meeting of the subscribers, held this day, Benjamin Shaw, Esq. in the Chair," 28 July 1824, 101.

Thompson's more realistic resolution, to make all the subscribers to the company liable for any debts, ultimately failed.²¹⁵ Despite these efforts, the Marine Insurance Bill continued to move forward.

As the act was working its way through the Commons, somewhat desperate sounding letter between a Lloyd's subscriber and Buxton illustrates the fears of underwriters, as well as the importance of underwriting to the greater London economy. This anonymous individual began by stating that had the legislation been proposed as a private bill, many of those involved in pushing it through would not have been able to vote as a result of conflicting interests. He did not mention the same was true for those advocating his position. He also tried, rather feebly, to make this a moral issue, by bringing up Buxton's strong anti-slavery attitudes and wondering how he could —how private interest to operate against a large number of individuals whose very existence depend[ed] upon the passing of this act.”²¹⁶ The author estimated that the City held 2,000 underwriters, and if clerks and families were counted, possibly 20,000 individuals directly gained their livelihood and sustenance from that particular form of business.²¹⁷ This number did not include the brokers, who may have been as many as 1,500.²¹⁸ He mentioned again the importance of Lloyd's intelligence networks, which he alleged had drastically reduced premiums and the information garnered —transmitted *gratuitously*

²¹⁵ —Imperial Parliament of Great Britain and Ireland: Marine Insurance Bill,” *The Morning Chronicle*, 4 June 1824.

²¹⁶ —Imperial Parliament of Great Britain and Ireland: Marine Insurance Bill,” *The Morning Chronicle*, 4 June 1824.

²¹⁷ Subscriber to Lloyd's, —Marine Insurance Bill, to Thomas Fowell Buxton, Esq. M.P.,” *The Times* (London), 14 June 1824.

²¹⁸ William Thompson , Speech to the House of Commons, —Marine Insurance Bill,” 28 May 1824, *Parliamentary Debates*, Commons, vol. 11, col. 928.

throughout the country.”²¹⁹ Furthermore, the author questioned the willingness of a corporation to take high risk policies and directly targeted Buxton, who as an auditor to the Alliance Life and Fire Assurance Company, knew that the company refused to insure any (particularly volatile) sugar houses in London. In a post-script, the subscriber thought it appropriate to mention that in the previous week, a £300,000 policy had been insured on ~~one~~ sloop of war from London to Rio Janeiro, including risk of plunder on the way to Portsmouth, at half-a-guinea per cent,” thus trying to reinforce the argument that underwriters’ personal liability was not a significant risk.²²⁰ These efforts on behalf of Lloyd’s, underwriters, and their subscribers/supporters in Parliament could not, in the end, stop what one MP called ~~the~~ whole united money interests of the empire.”²²¹ The Marine Insurance Bill passed the House of Lords on 21 June 1824, opening the door for the proposed Alliance Insurance Company.²²²

Opening the trade to non-chartered entities had a decidedly negative immediate impact on Lloyd’s. Twenty years later, the two original combined with the upstart companies had over half of the policies written in London, a marked increase from 4 percent in 1810.²²³ Passage of the bill did not, however, create the flood of new entities underwriters expected. In 1844, aside from the London Assurance and Royal Exchange,

²¹⁹ Subscriber to Lloyd’s, ~~Marine Insurance Bill~~, to Thomas Fowell Buxton, Esq. M.P.,” *Times* (London), 14 June 1824. Emphasis mine.

²²⁰ Subscriber to Lloyd’s, ~~Marine Insurance Bill~~, to Thomas Fowell Buxton, Esq. M.P.,” *Times* (London), 14 June 1824.

²²¹ Robertson, Speech to the House of Commons, ~~Marine Insurance Bill~~,” 28 May 1824, *Parliamentary Debates*, Commons, vol. 11, col. 931

²²² Robertson, Speech to the House of Commons, ~~Marine Insurance Bill~~,” 28 May 1824, col. 931; Martin Daunton, ~~Thompson~~, William (1793–1854),” in *Oxford Dictionary of National Biography*; ~~Imperial Parliament of Great Britain and Ireland: House of Lords, Marine Insurance Bill~~,” *The Morning Chronicle*, 22 June 1824; Martin, *The History of Lloyd’s*, 298-302.

²²³ Palmer, ~~The Indemnity in the London Marine Insurance Market, 1824-50~~,” 77.

only five others companies had remained opened for more than a few years.²²⁴ From 1810-1824, a new business climate, fostered by competition, forced Lloyd's of London to accommodate a restructured economic environment and in doing so reformed its organization and began to more regularly exercise its political and financial influence. Over the next eighty years, its members and committee increasingly interacted with the government as the house established complex control over information networks and extended its reach further into legislation and regulation. Lloyd's created a market for information, with often exclusive access to global intelligence, particularly on the coasts of Europe and the Americas. The agency system, coupled with new technology and corporately held signal stations, made this synergy highly effective as demonstrated in chapter three.

²²⁴ Palmer, "The Indemnity in the London Marine Insurance Market, 1824-50," 77.

Chapter 3: Agency and Signal Station Development

At the turn of the twentieth century, the committee, and particularly its active secretary Henry M. Hozier, progressively sought, and obtained, additional privileges for their corporation. Their incorporation in 1871 formalized their business model, and the Signal Stations Bill in 1888 identified this specific underwriting house as occupying a unique place in the financial world. This legislative and interactive approach to risk mitigation was not, however, limited to either the agency network or signal stations, which served as observation posts and information relaying stations. Through an increased focus on mandating safety regulations and preventing both material and human losses, the corporation sought to further manipulate their industry and derive more profit and goodwill from their underwriting and influence with the government.

Since the initial creation of Lloyd's Patriotic Fund, the committee and its members regularly sought to provide assistance to the community, at first through donations and subscriptions but later by actively addressing potential or existing areas of concern. In the last quarter of the century, this engagement took distinct and diverse forms – from requesting that the Admiralty schedule regular inspections of the deserted islands en route to Australia for shipwreck survivors to more stringent regulation of the equipping and construction of vessels.²²⁵ The Derelict Vessels Act of 1894, which required any shipmaster who came upon such a ship to report it to Lloyd's for empire-

²²⁵ House of Commons, "Islands: Southern Ocean. Copy of the Correspondence between the Lords of the Admiralty and the Committee of Lloyd's, with respect to Her Majesty's ships calling at the islands between the Cape of Good Hope and Australia, to relieve those shipwrecked upon them," *Sessional Papers, 1876* (289). *Islands: Southern Ocean*. 1 June 1876.

wide circulation, further reinforced the legislatively mandated importance of the insurance house.²²⁶

The diversity of situations that could have a negative impact on the underwriting business extended beyond simply shipwrecks, pirates, and other armed conflict. The structural integrity of vessels and on-board hazards played a critical role in the sinking and damaging of ships and, accordingly, increased the number of policies on which underwriters were required to pay out. That Lloyd's took an interest in matters as diverse as freeboard (the distance between the water level and deck of a ship) and the use or transport of combustible coal can be seen through their correspondence with entities such as the Board of Trade.²²⁷ The corporation's direct intervention in discussions surrounding these hazards demonstrates not only its members' expertise, but also the high regard in which government officials held their opinions. Underwriters made use of another organization, visible through their publication *Lloyd's Register of Shipping*, to complement their own sources of intelligence. This text had long played an important role in the classification of vessels as to their level of seaworthiness and, although this distinct and unrelated entity did much of the day to day inspection, the underwriters were

²²⁶ House of Commons, "Derelict Vessels (reports): A bill for the reporting to and publication by Lloyd's of intelligence as to derelict vessels on the high seas," *Sessional Papers, 1894 (87), Derelict Vessels*. 16 March 1894.

²²⁷ Henry M. Hozier, "Secretary to Lloyd's to Board of Trade," letter, 1 December 1875, in House of Commons, "Merchant ships freeboard. Copy of correspondence between the Board of trade, the committee for managing the affairs of Lloyd's, the Committee of Lloyd's Register of British and Foreign Shipping, and the Committee of Underwriters' Registry of Iron Vessels, having for their part to ascertain whether any principles can be adopted for determining the proper amount of freeboard in merchant ships," *Sessional Papers 1876 (8)*, 8 February 1876, 8; Henry M. Hozier, "The Committee of Lloyd's to Board of Trade," letter, 3 April 1878, in House of Commons, "Coal cargoes (Spontaneous combustion, &c.). List of cases of spontaneous combustion, or of explosion of coal, on board ship, reported to the Board of trade since the date of the report of the Royal Commission, showing the particulars of the voyage, of the casualty, and of the cargo and ventilatics in each case; also, list of ship's wholly laden with coal reported as missing since the date of the report of the Royal Commission, with such particulars of the voyage and cargo as can be ascertained; and, copy of correspondence between the Board of Trade and the committee for managing the affairs of Lloyd's relating to this subject; &c.," *Sessional Papers, 1878 (366) Coal Cargoes*, 12 August 1878, 16.

oftentimes dependent upon it. This institution not only listed every vessel over 100 tons operating in Great Britain but also gave their class (their purpose and quality of construction), name, and dimensions. Selected foreign vessels registered were also included, although the association did not class them.²²⁸ During debate in the House of Commons in 1870 surrounding the state of the mercantile marine community in Britain, Samuel Plimsoll (1824-1898) offered additional insight into the practice of underwriters, particularly the way in which they amalgamated different sets of information, including their knowledge of shipping accidents and losses, with other complementary studies such as *Lloyd's Register*. This particular MP gave an example of a shipowner who had lost seven vessels over a very short period of time through compulsive overloading. As a result, underwriters at Lloyd's refused to provide insurance to him.²²⁹ In order to make the decision to effectively cut out this businessman from insurance, those covering the policies would have had to have known how many times and how often had this individual lost ships from preventable causes (which they would have known by their

²²⁸ Lloyd's Register, *Lloyd's Register of British and Foreign Shipping, from 1st July 1881 to the 30th June 1882* (London: Wiman and Sons, 1881), title page. Courtesy of Google Books. *Lloyd's Register* was instrumental in the development of safety and constancy in the construction and maintenance of commercial vessels. Not only did they provide an invaluable service by publishing the data, but its surveyors also tested new materials and processes, particularly in steel production. The association had its own testing grounds throughout Britain and inspected new plants and factories. For examples, see —Commercial News," *Glasgow Herald*, 22 December 1887, in which the sanctioning of steel produced by the Glasgow Iron Company by Lloyd's and the Admiralty drove up the market price of Scotch Pig Iron Warrants; —The State of Trade at Middlesbrough," *The Northern Echo* (Darlington, England), 29 December 1884; —Various News," *Glasgow Herald*, 21 March 1884; —Testing Chain Cables and Anchors," *Daily News* (London), 28 August 1863. The committee of *Lloyd's Register* also published strict guidelines as to the necessary quality of chains, cables, steel plating, etc. These standards were of such import that Queen's College, Belfast, offered evening classes through their engineering school detailing them. See —Advertisements and Notices," *The Belfast News-Letter*, 22 October 1887; Lloyd's Register of British and Foreign Shipping, *Rules and Regulations for the Construction and Classification of Steel Vessels, 1 July 1905-30 June 1906* (London: Lloyd's Register of British and Foreign Shipping Printing House, 1905).

²²⁹ Mr. Plimsoll, Speech to the House of Commons, 28 July 1870, *Hansard Parliamentary Debates*, Commons, col. 1103.

own records) and the acceptable amount of weight, as determined through the standard classification system of *Lloyd's Register*.

The business of insurance relies heavily upon the possession of information, and as a result, Lloyd's developed its own exclusive networks to complement those provided through *Lloyd's Register* and other commercially or publicly available sources. For Lloyd's, the benefits of a monopoly on intelligence can be broken down into three main categories: protection from fraud, accurate assessment of risk, and profits made from selling information. The former two spurred interest in and the development of the corporation's complex global intelligence network, while the latter was an added benefit.

The infant status of international communication in the mid-nineteenth century, the slow dissemination of information and its questionable use created numerous issues for those in the marine insurance business. Two court cases from the mid-nineteenth century, both of which went in a member of Lloyd's favor, aptly illustrate the necessity of not only gathering also but using available resources.

The first demonstrates the lack of and need for a reliable communications system not only capable of keeping up with global commerce but doing so in a way that would preempt others from taking advantage of the insurance institution. In *Russell v. Thornton*, from January 1857, an insured steamship owner took an underwriter to court for failing to pay out on the loss of his vessel. The broker, employed to secure the policy on behalf of the owner, received a letter on the same day an agreement was reached to the effect that the vessel under discussion had run aground and made her way "in a sinking state" to Cartagena. The broker failed to forward this to the underwriter, who no doubt would have rethought his acceptance of the risk on the policy. While the court ruled in favor of the

underwriter, much time and expense could have been avoided had the insurer known from other sources the state of the vessel.²³⁰

The 1864 case *Bates v. Hewitt* addressed the issue of risk assessment and the responsibilities of the underwriter within his profession. In this instance, a merchant sued the underwriter for refusing to pay out on a policy contracted on the steamer *The Georgia*. This former Confederate cruiser set in to Liverpool where she was dismantled and sold at a much publicized public auction. Following repairs, the purchaser secured a six-month policy from a Lloyd's underwriter but did not disclose the ship's history as a participant in an ongoing war. Upon leaving Liverpool, a United States frigate immediately captured her, and the plaintiff sought remuneration. The jury found that the underwriter was not aware the vessel was the Confederate steamer, but at the time the agreement was entered into, had no lack of available information that would have identified it as such. Despite this observation, the court found in the underwriter's favor.²³¹

Both of these cases present two questions: to what extent is the insurer obligated to use existing intelligence, and how much is the insured required to freely provide about the potential risk that faces their property? By 1903 the law had become quite clear, at least in the requirements placed upon the individual seeking the policy. It prescribed that if the insurer failed to inquire, the insured need not freely disclose ~~any~~ any circumstance which is known or presumed to be known to the insurer. The insurer is presumed to know matters of common notoriety or knowledge, and matters which an insurer in the ordinary

²³⁰ Parsons, *A Treaties on the Law of Marine Insurance and General Average*, 497.

²³¹ Parsons, *A Treaties on the Law of Marine Insurance and General Average*, 480-1.

course of his business, as such, ought to know.”²³² The expectation is less explicit on the obligations of the underwriter. What exactly is “common notoriety or knowledge,” and what should they have known in the conduct of “ordinary business?” Throughout the nineteenth century, in various forms, the committee sought to mitigate negative circumstances that could have been avoided by simply possessing and using complete information.

As previously addressed, the system of agents developed as part of Lloyd’s reorganization in the 1810s and 1820s soon encompassed most of the major ports throughout the world. Over fifty years later, their duties were essentially the same and ranked in this order of importance: (1) provide intelligence to the offices in London in case of a wreck, (2) send any other information regarding casualties in the area, (3) ensure the proper conduct and expenditures by shipmasters when they arrive in port for repairs, and (4) send out lists of arrivals and departures of vessels in his port.²³³ Almost all of those who held the position did not consider it, or make it, their exclusive source of livelihood, and perhaps most significantly, many were also British government officials.²³⁴ As early as 1821, Parliament began to look into the ethics and benefits of this substantial interchange of interests. Breaking down the list of payments the consul could collect, one in Genoa charged 8 francs 40 cents to administer the oath to brokers for Lloyd’s, and another in Naples indicated he sold goods by auction for underwriters in

²³² Sir Mackenzie Dalzell Edwin Stewart Chalmers and Douglas Owen, *A Digest of the Law Relating to Marine Insurance*, 2nd ed. (London: William Clowes and Sons, Limited, 1903), 25. Courtesy of Google Books.

²³³ House of Commons, “Report from the Select Committee on Diplomatic and Consular Services; together with the proceedings of the committee, minutes of evidence, appendix and index,” *Sessional Papers, 1872 (314), Diplomatic and Consular Services*, 46.

²³⁴ Lloyd’s of London, *A List of the Subscribers to Lloyd’s also a List of the Agents; and a Copy of Their Appointment and Instructions*, vol. 14, 13 December 1821, 26-32.

London.²³⁵ Although no judgment was given against the practice, these charges nevertheless indicate a working relationship between the government's principal trade representative in the port and those attached to the London insurance market. By 1858, however, the number of individuals who held simultaneous private and public positions had increased considerably. These included approximately six naval officers and thirty-four consular officials out of approximately 450 total agents.²³⁶ In this year, the Select Committee on Consular Services and Appointments initiated a far reaching investigation into the effectiveness and appropriateness of their services. The testimony that surrounded the inquiry demonstrated the complex nature of Lloyd's relationship with the government.

The insurance organization had long been in contact with these officials through the Board of Trade, and by 1872 received 600 to 700 reports of casualties and disasters from various parts of the world in a year.²³⁷ In examining W.F. Sadler, a member of the committee of Lloyd's, as to the custom of appointing diplomatic personnel to simultaneously represent his organization's interests at home and abroad, members conducting the inquiry posed questions that both challenged and sought advice.²³⁸ Sadler sought to draw a distinction between Lloyd's using consuls and merchants doing the

²³⁵ House of Commons, "Consuls: Return to an address of the House of Commons to His Majesty, on the 7th of May 1822; for copies of the table or rate of fees of every kind, charged by the several British consuls general, consuls, and vice consuls, from British shipping and British subjects, at each place; distinguishing the amount or rate of charge under each separate head, in the years 1792 and 1821; also, by what authority those charges have been made," *Sessional Papers, 1822 (464)*, 7 May 1822, 13-14.

²³⁶ These numbers are from 1851, and are therefore an approximate indication of the 1858 numbers. It is likely, however, that this number was higher in that later years, as, by 1880 the number of agencies had increased to 605. See Lloyd's of London, *A List of the Agents to Lloyd's: with a Copy of their Appointment and Instructions*, 31 December 1851, 3-6, 22-9; Wright and Fayle, *A History of Lloyd's*, 384.

²³⁷ House of Commons, "Report from the Select Committee on Diplomatic and Consular Services; together with the proceedings of the committee, minutes of evidence, appendix and index," *Sessional Papers, 1872 (314), Diplomatic and Consular Services*, 46.

²³⁸ House of Commons, "Report from the Select Committee on Consular Service and Appointments; together with the proceedings of the committee, minutes of evidence, appendix and index," *Sessional Papers, 1857-58 (482), Select Committee on Consular Service and Appointments*, 515.

same, seeing his own organization as ~~an~~ independent office, which brings the agent into connection with a variety of merchants and others...and he is generally looked upon as a man who is likely to do justice between the merchant on the one hand and the establishment of Lloyd's on the other."²³⁹ He furthermore contended that if a business person simultaneously held the government post, it would create a situation where interests could easily conflict and even ~~excite~~ feelings sometimes of jealousy in the ordinary competition of trade."²⁴⁰ Additionally, Sadler commented that, aside from his role as simply a mediator, the agent ~~becomes~~ amenable to our committee, who are not at all scrupulous in such a case (improper conduct)" and that he was subject to strict rules, such as those laid down in 1811.²⁴¹ Principally, he argued, the role of the representative was a supervisory one that, allegedly, was primarily responsible to ~~see~~ that fit men were appointed."²⁴² The select committee drew from this, and Sadler concurred, that a consul who was not a merchant would be better suited for the position of an agent and perhaps just as importantly that it would not result in conflicting interests or any undue influence, indicating that government interests corresponded favorably with those at Lloyd's.²⁴³ While the government examiners did not in the end object to the practice, Lloyd's had some complaints. One particular incident involved a consul/agent who charged fees under the auspices of both positions for the same service, a practice with which the committee took issue and reprimanded the individual.²⁴⁴

²³⁹ Commons, ~~Select~~ Committee on Consular Service and Appointments," 1858, 515.

²⁴⁰ Commons, ~~Select~~ Committee on Consular Service and Appointments," 1858, 515-6.

²⁴¹ Commons, ~~Select~~ Committee on Consular Service and Appointments," 1858, 1858, 517.

²⁴² Commons, ~~Select~~ Committee on Consular Service and Appointments," 1858, 517.

²⁴³ Commons, ~~Select~~ Committee on Consular Service and Appointments," 1858, 517.

²⁴⁴ Commons, ~~Select~~ Committee on Consular Service and Appointments," 1858, 517.

Nevertheless, fifteen years later in 1872, Benjamin Charles Stephenson (c.1807-1882), secretary of Lloyd's, articulated the importance of this public-private relationship during a new Parliamentary investigation of the service, stating "there are hardly any people in the world more interested in the consular service than the underwriters at Lloyd's, whose pockets are constantly affected by the manner in which the consuls do their duty."²⁴⁵ In this year, fifty consular and vice consular agents corresponded directly with the secretary from ports around the world (Figure 2).²⁴⁶

Figure 2: List of British Consuls who are also Agents for Lloyd's²⁴⁷
Marked C. are Consuls—Marked V.C. are Vice Consuls

Ports	Agents		Ports	Agents	
Aleppo	James Henry Skene	C	Lisbon	Charles Schnobel	V.C.
Berdiansk	James Zohrab	C	Liesta	William Granck	V.C.
Bergen	Alexander Greig	V.C.	Maceio	Gustavus William Wucherer	V.C.
Bremerhaven	Melchior Schwoon	V.C.	Malmo	Theodor Flensburg	V.C.
Calais	William Thomsett	V.C.	Maranham	William Bingham Wilson	V.C.
Cape Verde Islands	Thomas Miller	C.	Martinique	William Lawless	C.
Carthagen	Edmund John Turner	C.	Matamoras	Charles Bagnall	V.C.
Charleston	Henry Pinckney Walker	C.	Mazatlan	John Kelly	V.C.
Christiansund	John Allan	V.C.	Nantes	Robert Charles Clipperton	C.
Civita Vecchia	John Thomas Lowe	V.C.	Norfolk (VA)	Myer Myers	V.C.
Cronstadt	Walter Maynard	V.C.	Nuevitas (Cuba)	Pedro Sanchez Dolz	V.C.
Dardanelles	William Henry Wrench	C.	Port au Prince	Henry Byron	V.C.
Emden	Y. Brons	V.C.	Portland, U.S.	Edward P. Sherwood	V.C.
Fiji and Tonga Islands	Edward March	C.	Randers	Jens Hald	V.C.
Frederikshaven	Peter Julis Kall	V.C.	Rhodes	Alfred Biliotti	V.C.
Garrucha	George Clifton Pecket, jun.	V.C.	St. Brieue	Henry Angier	V.C.
Gonaives	James Bean McGuffie	V.C.	St. Valery sur Somme	John Ryves D'Arcy	V.C.
Grand Canary	Houghton Houghton	V.C.	Stavanger	Jens Zetlitz Kielland	V.C.
Iviza	William Wallis	V.C.	Taganrog	John Patrick Carruthers	C.
Kertch	Peter Barrow	C.	Terceira	John Read	V.C.
Lanzarote	John Thomas Topham	V.C.	Thisted	Frederick Charles Bendixsen	V.C.

²⁴⁵ Commons, —Select Committee on Diplomatic and Consular Services," 1872, 42; "Deaths," *Times* (London), 23 February 1884, 1.

²⁴⁶ Commons, —Select Committee on Diplomatic and Consular Services," 1872, 46.

²⁴⁷ Commons, —Select Committee on Diplomatic and Consular Services," 1872, Appendix 7, 161.

Leghorn	Alexander Macbean	C.	Trebizond	Francis James Stevens	C.
Lemyig	Anthon Andersen	V.C.	Vianna	Jose Mendes Ribeiro	V.C.

The distribution of dual agents around the world shows the greatest number posted on the north and west coasts of Europe, particularly in France, Norway and Sweden, with others spread throughout the Mediterranean, the Caribbean, and the western coast of Brazil. None of the individuals listed as both government personnel and a Lloyd's agent were stationed in East Asia, including India. This absence is probably explained by the East India Company's practice of carrying its own risks, rather than using an underwriting firm.²⁴⁸ Until 1858, it would not have been practical or profitable for Lloyd's to significantly develop this region.

As in 1858, the representative for Lloyd's stressed what he saw as the non-conflicting nature of this dual occupation, relegating agents' duties to supervisory ones.²⁴⁹ In this inquiry, however, Stephenson first indicated a preference, in most cases, for natives of the foreign ports –on account of their knowledge of the language and the people.”²⁵⁰ This observation was less one of praise for these individuals and more a critique of the Foreign Office's system at the time of testing and appointing British officials, particularly consuls and vice-consuls, to their positions. The examination for the position, –Smith's Compendium on Mercantile Laws,” he believed, was essentially worthless, as –any man could cram for that.”²⁵¹ This led, in some circumstances to qualified, but not necessarily competent, officials.²⁵²

²⁴⁸ Fayle, –Shipowning and Marine Insurance,” 40.

²⁴⁹ Commons, –Select Committee on Diplomatic and Consular Services,” 1872, 46.

²⁵⁰ Commons, –Select Committee on Diplomatic and Consular Services,” 1872, 47.

²⁵¹ Commons, –Select Committee on Diplomatic and Consular Services,” 1872, 48.

²⁵² Commons, –Select Committee on Diplomatic and Consular Services,” 1872, 48.

Following this line of questioning, the examiner directed queries as to the methods Lloyd's used for compensating its agents, particularly looking for any information that could be used to improve the consular system. Principal among these was the manner in which the insurance entity managed to secure capable individuals with little or no compensation, at least in most cases.²⁵³ Naturally, this savings was something in which the government would be interested, particularly since the company accomplished it with so much success. Comparing their own experience with that of the Foreign Office, the secretary of Lloyd's thought it highly unlikely that the diplomatic service would have much trouble entering into a similar system with their consuls.²⁵⁴

One particular case in 1869 illustrates the level of cooperation and communication between diplomatic officials abroad, agents in those ports, the committee of Lloyd's and government offices at home. The Consul-General in Stockholm, Perry, wrote to the Board of Trade concerning the "continuance of the robberies, delay, endless confusion, and even litigation, connected with all the numerous wrecks on the eastern coast of Sweden" and the activity of a particular organization on Gotland Island responsible for the disruptions. In this case, Perry, in contact with his superiors, noted that the governing body at the house might be interested in the case, a supposition confirmed by Erskine, the agent in Stockholm.²⁵⁵ The insurance house's governing body

²⁵³ Commons, —Select Committee on Diplomatic and Consular Services," 1872, 48.

²⁵⁴ Commons, —Select Committee on Diplomatic and Consular Services," 1872, 48.

²⁵⁵ Full name and dates for Perry and Erskine are unavailable. While it is unlikely that Sir William Perry, Consul-General at Venice who died in 1874 was the same Perry in Stockholm, they were probably related. William Perry's executor and brother was Sir Thomas Erskine Perry, thus indicating that the Erskine and Perry in Sweden were likely relatives. See "Wills and Requests," *Western Mail* (Cardiff, Wales), 4 December 1874. House of Commons, "Gotland and Heligoland: Copies of Reports made to the Board of Trade by the Assistant Secretary to the Marine Department respecting wrecking in Gotland and Steam Navigation in the Baltic, and of Correspondence Relating thereto: and, of correspondence between the Board of Trade, the Committee of Lloyd's, and the Committee of the Salvage Association Respecting

consequently requested that Thomas Grey, already touring various European ports on behalf of the Board of Trade, extend his visit to Gotland accompanied by one of their own officers.²⁵⁶

The “Gotland Gang” operated by having several of their members represent all parties involved following the wrecking of a ship. Feigning to act independently, one would “represent” the shipowner, another the owner of the cargo, one for the insurers, another as the consular agent, and yet one more on behalf of the salvors. Rather than working for the benefit of these respective parties, this situation opened the door for substantial fraud. Additionally, as most of the ships and cargoes concerned were British, the underwriters at Lloyd’s suffered regular losses. Bodies similar to Lloyd’s in Copenhagen and Hamburg also recognized the danger this organization posed to their own interests, all three of which determined that the most efficient way of dealing with the problem was appointing an independent (non-Swedish) man as both vice consul and agent.²⁵⁷ Despite some reservations by individual underwriters in Copenhagen as to the value of vice-consuls, the Board of Trade nevertheless agreed to look into the appointment of an agent.²⁵⁸ Through this communication and cooperation, the Swedish government, local merchants, and underwriters throughout Europe were made aware of the issue and collectively worked to solve it.

Information, which Lloyd’s worked tirelessly to acquire throughout the nineteenth century, decreased fraud and increased profits simultaneously. Throughout the century, this goal was furthered by the rapid development of new technology, particularly the

Wrecking in Heligoland, and of any act or ordinance recently Passed with Reference Thereto,” *Sessional Papers, 1868-69 (373), Gotland and Heligoland*. 12 July 1869. 7.

²⁵⁶ J.A.W. Harpter, Letter to the Board of Trade, 22 July 1868, in Commons, “Gotland and Heligoland,” 8.

²⁵⁷ Commons, “Gotland and Heligoland,” 8.

²⁵⁸ Commons, “Gotland and Heligoland,” 9-10.

telegraph as it expanded across the country and abroad and wireless communication.²⁵⁹

These advances significantly sped up the transfer of data relating to all aspects of business, industry, government, and ultimately national defense. The next generation of leaders at Lloyd's made full use of these developments as they constructed their own, often exclusive, sources of intelligence.

Following the broadening of the market in 1823 and the subsequent development of the agency system from its roots in 1810-11, Lloyd's embarked on a period of political expansion, during which the members elected as chairmen became intimately and powerfully involved in the British Cabinet and the London financial world. The two most notable of these were Thomas Baring (chairman 1851-68) and George Joachim Goschen (chairman 1869-86).²⁶⁰ The latter is perhaps the most striking example of the overlap between business and governance. From 1871 to 1874 he concurrently served as chairman of Lloyd's and First Lord of the Admiralty under William Ewart Gladstone (1809-98), whose father was a committee member of the Liverpool Underwriter's Association, one of the largest commercial groups to make use of Lloyd's.²⁶¹ While these individuals perhaps had a higher profile, the figure of greatest significance in the establishment was Henry M. Hozier, a former army officer and recipient of the Victoria

²⁵⁹ In his article "The London Stock Exchange and the British Securities Market, 1850-1914," R.C. Mitchie aptly demonstrated the power of the telegraph in the standardization of business, particularly in the stock market. Studying the daily prices of Caledonian Railway stock in 1846, the year before the London Stock Exchange and the Glasgow market, 44 percent of the London prices were an average of 6.9 percent higher than those in Scotland, while 56 percent of the time the Glasgow prices were 14 percent above those in the City. This difference disappeared the following year. See R.C. Mitchie, "London Stock Exchange and the British Securities Market, 1850-1914," *The Economic History Review* 38, no. 1 (February 1985): 65.

²⁶⁰ Gibb, *Lloyd's of London*, 147.

²⁶¹ Thomas J. Spinner, Jr., "Goschen, George Joachim, first Viscount Goschen (1831-1907)," *Oxford Dictionary of National Biography*; Henry M. Hozier, ed. *Lloyd's General Report for 1884* (London: Spottiswoode & Co., 1885), 67.

Cross, who served as secretary from 1874-1906 and ushered in Lloyd's most ambitious and successful intelligence gathering operation: the signal stations.²⁶²

Hozier's relationship with the government, particularly in this latter endeavor, was quite extraordinary in that it did not limit itself to interaction with British public servants. The negotiations that took place between the 1869 establishment of the first signal station at Deal, on the eastern coast of England, and a landmark agreement reached with the Admiralty in the early twentieth century, offer a compelling look into the intersection between Lloyd's private strengths and the support they received from public entities.²⁶³ This cooperation led to near exponential growth in the number of stations maintained by the insurance house. After Deal, the second was not constructed until 1876 at Dover.²⁶⁴ By 1884 this number had grown to seventeen stations in Great Britain and six abroad. In 1891 those in Britain had more than doubled to forty, while those abroad had increased nearly twenty fold to 118.²⁶⁵

Throughout this period, Lloyd's achieved passage of two fairly significant pieces of legislation, the first of which was their incorporation in 1871.²⁶⁶ While this advancement was perhaps a natural moment of progress for an entity that had existed since the 1770s, a more striking piece went through in 1888. The *Lloyd's Signal Stations Bill* of that year granted the corporation the power of eminent domain in the acquisition of land for the construction of signal stations.²⁶⁷ As would be expected, the presentation of this bill created some considerable concern that Lloyd's would gain a monopoly in the

²⁶² Davenport-Hines, "Hozier, Sir Henry Montague (1838–1907)," *Oxford Dictionary of National Biography*.

²⁶³ Wright and Fayle, *A History of Lloyd's*, 385.

²⁶⁴ Wright and Fayle, *A History of Lloyd's*, 385.

²⁶⁵ Wright and Fayle, *A History of Lloyd's*, 385.

²⁶⁶ M.D. Chalmers and Douglas Owen, *A Digest of the Law Relating to Marine Insurance*, 172.

²⁶⁷ Sir Michael Hicks-Beach, Speech to the House of Commons, 10 August 1888, *Parliamentary Debates*, Commons, 3rd Series, vol. 330, col. 364.

gathering of information through the command of the best locations in the United Kingdom. One MP, Sir Walter Barttelot (1820-93), noted that he ~~could~~ not see any corresponding advantages which were to accrue to this country, or even to the First Lord of the Admiralty, from giving these enormous advantages to a private company.”²⁶⁸ This individual further cited that the aforementioned government minister mentioned that ~~they~~ [Lloyd’s] never gave any notice to the Admiralty with regard to what was going on in connection with shipping or any other matters.”²⁶⁹ Barttelot continued by criticizing the government for putting forward a bill that put key strategic locations and facilities outside of the control of those responsible for state defense and into the hands of private individuals. Foreshadowing what would occur just over a decade later, he warned that ~~the~~ Government seemed to be about to grant a great concession, which at some future time they might have to buy back again at the cost of a very large sum for compensation.”²⁷⁰ Thomas Baring, M.P. for London, countered with a stark critique of Admiral Edward Field, whom he argued ~~knew~~ nothing about Lloyd’s.” The speaker further posited that Lloyd’s purpose was not to just telegraph the coming and going of ships, but that all they ~~wanted~~ to do was to make profit, and the way they wanted to make profit was to save loss of life and ships and cargo at sea.”²⁷¹ For this reason, he argued, the corporation would act in the best interest of the public and should be granted the right to forcibly acquire the requisite land. By 1904 when Lloyd’s, to its great benefit,

²⁶⁸ Sir Walter B. Barttelot, Speech to the House of Commons, 10 August 1888, *Parliamentary Debates*, Commons, 3rd series, vol. 330, col. 363.

²⁶⁹ Sir Walter B. Barttelot, Speech to the House of Commons, 10 August 1888, *Parliamentary Debates*, Commons, 3rd series, vol. 330, col. 363.

²⁷⁰ Sir Walter B. Barttelot, Speech to the House of Commons, 10 August 1888, *Parliamentary Debates*, Commons, 3rd series, vol. 330, col. 368.

²⁷¹ Thomas Baring, Speech to the House of Commons, 10 August 1888, *Parliamentary Debates*, Commons, 3rd Series, vol. 330, col. 375. This Thomas Baring was the grandson of the Thomas Baring who sought to open up the marine insurance market in 1824, who was, in turn, the son of Sir Francis Baring, the founder of Baring Brothers. Field’s birth and death dates unknown.

actually did begin leasing domestic sites to the Admiralty, Hozier noted that the situation was a direct result of his corporation —possessing the best sites for signal stations in the United Kingdom.”²⁷²

The expansion of the signal station network around the world can be broken down into three classes: those in foreign territories, those in overseas British possessions, and those on the domestic coasts. Examples of these, particularly the private interaction of the corporation with various government officials, offer valuable insight into the cooperation, rivalries, and goals of each leading up to the new century.

Britain obtained Helgoland, a small island off the coast of Germany marking the mouth of the Elbe and Weser rivers off of Holstein, from Denmark in 1807. In 1890, the government through Lord Salisbury ceded the land to Germany in return for concessions in the Nile river valley in Uganda and Kenya.²⁷³ The Royal Navy had for some time not made serious use of the island, and in 1879 the governor of Helgoland, Lieut. Col. Terrence O’Brien, suggested that Lloyd’s committee take over signaling at the location.²⁷⁴ In 1884 the leaders of the underwriting organization made their first serious effort to obtain the government station, which they did later that year after shrewdly requesting a £100 annual subsidy to continue the operation.²⁷⁵ Despite the relinquishment of the island to Germany in 1890, the Anglo-German Agreement of that year guaranteed Lloyd’s the right to continue their signaling operations. This special provision explicitly

²⁷² Henry M. Hozier, —Commercial Maritime Intelligence in the Further East,” Memorandum, Lloyd’s of London, 15 July 1902,” in Lloyd’s of London, *Agenda and Memoranda Considered by Signal Stations Sub-Committee, July, 1902*, MS 31642, Guildhall Library, London, United Kingdom.

²⁷³ R.C.K. Ensor, *England: 1870-1914* (New York: Oxford University Press, 1941), 193-94.

²⁷⁴ Ensor, *England*, 194; Lloyd’s of London, *History of Signal Stations: Europe*, vol. 3 (London: Chas. Pearson and Son, Ltd., 1884), 136, MS 31672, Guildhall Library, London, United Kingdom. While the initial date of publication was 1884, it appears that at this date material began to be inserted into the binder. O’Brien’s birth and death dates unknown.

²⁷⁵ Lloyd’s of London, *History of Signal Stations: Europe*, 136. It is unclear whether or not the Committee successfully obtained this subsidy.

stated that all government obligations to Lloyd's, including the right to maintain property and signal on the island, were transferred to the new owner and had to be maintained.²⁷⁶

Helgoland Lighthouse and Lloyd's Signal Station (X) Date Unknown²⁷⁷



Following this development, the committee immediately began new negotiations with the German government to secure additional privileges and further outline the rights and obligations of the outpost. In May 1892, Count Hatzfeldt, attaché at the Imperial German Embassy, met with Hozier in London to affirm Lloyd's rights on the island, subject to several conditions: (1) the corporation must keep the existing structures in an efficient state of repair," (2) the signalman must be a German citizen, and (3) signals

²⁷⁶ P. Anderson, "Doc. 288 Sir E. Malet to the Marquis of Salisbury—Doc. 290: Inclosure in Doc. 288: Draft Proposal for Arrangement Respecting Heligoland," Letter, 24 June 1890, in eds. Kenneth Bourne and D. Cameron Watt, *British Documents on Foreign Affairs, Part I, Series F: Europe, Vol. 18, Germany, 1848-1897* (Unknown: University Publications of America, 1990), 363; "Great Britain and Germany, —Agreement between Great Britain and Germany, for the Cession of the Island of Heligoland to Germany. Signed at Berlin, 1 July 1890, paragraph 6, Article XII," in Sir Edward Hertslet, *The Map of Europe by Treaty Showing the Various Political and Territorial Changes which have taken place Since the General Peace of 1814*, vol. 4 (London: Her Majesty's Stationary Office, 1891), 3287. Courtesy of Google Books.

²⁷⁷ "Heligoland Lighthouse and Lloyd's Signal Station," in Lloyd's of London, *History of Signal Stations Europe*, 136.

necessary for the service of the Imperial Navy must have precedence over signals for Lloyd's.²⁷⁸ The committee responded with several suggested adjustments in January 1893, with the most important provisions being that the Imperial German Marines continue signaling as they had been but that another German citizen be appointed at a later date to hand carry messages in order to defray telegraphy costs. Hozier also offered to provide payment to the soldiers employed by the underwriting house, a suggestion that was flatly refused by the admiral with whom negotiations were taking place, on the grounds that they were not permissible according to the view and principles prevailing on this subject in the German Army.²⁷⁹ As with the agency system, and later with the construction and manning of coastal stations, the British navy took a distinctly contradictory view to this practice. A second request was that Lloyd's be allowed to fly their own distinctive flag on the site, and finally that no agreement or work by non-British personnel indicated any abrogation of Lloyd's right to signal at Helgoland, as guaranteed in the 1890 treaty.²⁸⁰ The agent on the island also stressed the importance of the training Marines would receive in tracking commercial shipping, particularly for wartime. This argument, later made when conducting similar negotiations with the Admiralty at the turn of the century, would later have a somewhat negative effect after the outbreak of World War I, when Helgoland, then fully fortified, became a critical component of Germany's naval strategy.²⁸¹ Aside from logistical concerns, these demands pressured recognition of the corporation by the Imperial government, and by

²⁷⁸ Lloyd's of London, *History of Signal Stations Europe*, 138.

²⁷⁹ Lloyd's of London, *History of Signal Stations Europe*, 139.

²⁸⁰ Lloyd's of London, *History of Signal Stations Europe*, 139.

²⁸¹ Gerard Noel, Admiral Sir Gerard Noel to Col. Hozier, Letter, 20 December 1900 in Lloyd's of London and the Admiralty, *Correspondence Re Admiralty Agreement July 22, 1903: Admiralty, Walton's and Treasury* (London: Waterlow Bros. & Layton, 1903) document 2, MS31657, Guildhall Library, London, United Kingdom; R.C.K. Ensor, *England: 1870-1914*, 194.

extension, the importance and permanence of British commercial interests. In a memorandum to the committee of Lloyd's, Hozier stressed this notion by acknowledging the near uselessness of the site for signaling, much less for spending any money, because of the lack of shipping moving through the area.²⁸² Noting that the corporation's rights on the island were specially bargained for and enshrined in the agreement, the secretary, first proposed in 1897, indicated that rather than conduct signaling themselves, they simply purchase a piece of land and erect one of their flags on the location to flaunt their right to do so and then persuade the German Marines to just pass along any pertinent information.²⁸³

By 1902, the Lloyd's Agent at Cuxhaven, from sources he would not divulge, indicated that naval authorities were anxious to convince Lloyd's to give up their exclusive privileges. Further recognizing the uselessness of the location for any but ceremonial means, the committee took steps to hand over their rights in return for several notable concessions, the most important of them being that "Lloyd's should be supplied gratis, from all the Imperial German Naval Signal Stations, with all casualties and other information respecting commercial maritime vessels, obtained at these stations"²⁸⁴

Additionally, the secretary sought free information regarding all casualties, the ability to transmit orders to vessels, that the corporation be permitted to include the stations in the list occasionally published by Lloyd's, and that the house be given similar rights at any

²⁸² Apparently, this location was not at all important, as one man who worked the station indicated that the entire time he had worked at the post, he only knew of one ship that was signaled. See P. Anderson, "Doc. 294: Sir P. Anderson to Sir E. Malet," letter, 30 June 1890, in *British Documents on Foreign Affairs: Germany, 1848-1897*, 267; Henry Hozier, "Memorandum to the Committee of Lloyd's," August 1897, in Lloyd's of London, *History of Signal Stations: Europe*, 141; Lloyd's of London, "Memorandum Heligoland," 13 November 1902, in Lloyd's of London, *History of Signal Stations Europe*, 142.

²⁸³ Hozier, "Memorandum to the Committee of Lloyd's," August 1897, 141.

²⁸⁴ Hozier, "Memorandum to the Committee of Lloyd's," August 1897, 141.

station established in the future.²⁸⁵ In the next year, negotiations picked up between the underwriting organization, the German foreign office, and its naval authorities with the

View from Helgoland Signal Station, 1898²⁸⁶



result that most of the demands were agreed to by 1905 – most notably that Lloyd’s, subject to several provisions, could receive shipping information from most of the area surrounding Helgoland at no charge save wireless or telegraphic transmission.²⁸⁷ While unique in the fact that all of these negotiations took place with a foreign government, the focus on responsibility for telegraphy and military manning of the stations were echoed

²⁸⁵ Lloyd’s of London, “Memorandum Heligoland,” 13 November 1902, in Lloyd’s of London, *History of Signal Stations: Europe*, 142.

²⁸⁶ “View from Heligoland Signal Station, 1898,” Stengel and Co., Dresden, 1898, in Lloyd’s of London, *History of Signal Stations: Europe*, 136.

²⁸⁷ “Memorandum for Secretary: Reports from Wireless Stations in Germany,” 17 February 1905, in Lloyd’s of London, *History of Signal Stations: Europe*, 103.

in similar arrangements reached with British territories, such as at Gibraltar, on the narrow straits between Spain and Africa, as well as domestic coastal stations.

The committee's interaction and negotiations with the authorities in Gibraltar provide an insightful account of the corporation's relationship with the nation's overseas possessions. In 1884 Hozier visited the location to discuss signaling with the authorities. In his report, he indicated that Gibraltar hosted three separate signal stations, one at Summit Station, Windmill Hill, and Lower Station. The second of these was connected via telegraph, at Lloyd's expense, to the Eastern Telegraph Company's office, from which intelligence was transmitted to London. The watchmen at the Lower Station sent information regarding casualties or passing vessels to concerned parties in town by messenger. In this last transfer, the secretary expressed his consternation over the belief that shipping agents and merchants were bribing carriers in order to receive intelligence earlier, thus delaying its reception at Lloyd's. The solution to this problem, in Hozier's opinion, was to completely monopolize the distribution of commercial information in Gibraltar.²⁸⁸

Acting on this decision in 1884, the secretary entered into an agreement with the military authorities at Gibraltar on the Iberian Peninsula, confirmed by the War Office, which made significant progress toward this goal. Under these new regulations, those at Windmill Hill telegraphed messages to the Summit Station, where they were forwarded to the Eastern Telegraph Company's office and thereafter to Lloyd's, which could conversely communicate with vessels through the same method. The key component of

²⁸⁸ Henry Hozier, "Report: Gibraltar, 1884," in Lloyd's of London, *History Signal Stations: Europe*, 306.

this new arrangement was that the London underwriting organization received guaranteed preference over all messages save those sent in the service of the government.²⁸⁹

Over the next ten years, Lloyd's sought to further consolidate its interests in the region. Negotiations with military, colonial, and commercial figures on the peninsula highlight the tensions and criticisms created by and directed towards the corporation, as well as that entity's own self-perception. In May 1891, following correspondence with Major E.R. Hussey of the Signal Department, Colonel Hozier sought to further push the extent to which Lloyd's controlled the collection and distribution of intelligence from and within Gibraltar.²⁹⁰ The proposals that ensued from these discussions with the governor would have further delineated the roles of the existing stations, limiting Summit to military and naval use, while Windmill Hill would have been operated by Lloyd's and directly connected to the telegraph company, rather than the Summit station. Importantly, the Lower Station, as it had largely been an intelligence distribution center whose messages were allegedly regularly delayed, was to be taken completely out of the loop. Additionally, Hozier suggested that a Lloyd's signal superintendent, who had the authority to employ several telegraphists, preferably soldiers with a non-commissioned officer on duty so that the underwriting corporation's official would be in ~~no~~ way responsible for discipline, conduct, or cleanliness," be stationed there. For all this, the house would pay £50 a year.²⁹¹ Ultimately rejected by Colonial Secretary Henry Thurstan Holland, First Viscount Knutsford (1825-1914) as a result of ~~economic~~ "commercial opposition," the blatant audacity of the proposals gives some indication of the extent to which the

²⁸⁹ Lloyd's of London, *History Signal Stations: Europe*, 306.

²⁹⁰ Birth and death dates for Hussey unknown.

²⁹¹ Henry M. Hozier, "Proposals to the Governor of Gibraltar, May 1891," in Lloyd's of London, *Signal Stations: Europe*, 308.

committee and its secretary believed their organization to be important and necessary.²⁹² According to Hussey, colonial authorities rejected any arrangement that would restrict or lessen the port dues, as vessels would no longer necessarily have to stop to receive specific intelligence. The chamber of commerce likewise disapproved of any systemic changes to the existing structure.²⁹³ Objecting to the more modest arrangements proposed in response, the committee replied that:

Shipping information should, with the view of prevention of fraud, be distributed by an impartial organization such as Lloyd's, which has no interest in the movements of shipping or in making contracts for the salvage of vessels or cargoes. It would appear that the only means by which this can be secured is by the Signal Station which distributes commercial intelligence being administered by a signalman under the control of an impartial authority such as Lloyd's.²⁹⁴

If the underwriters would not benefit from the arrangement, these leaders suggested to the Colonial Secretary that perhaps the £50 subsidy should cease to be paid. As a result of these failed negotiations, the committee abandoned their efforts until 1893.²⁹⁵

Between 1894 and 1903, the three major parties continued to work through their disputes, finally resulting in a profitable agreement for all parties, particularly the underwriters and possibly excepting the merchants in Gibraltar. Before this new agreement, the station lost £36 annually. The 1903 agreement set payments between Lloyd's and the War Department at fixed rates: £85 for signal staff from the Royal Engineers, £15 a year for a flag at Windmill Hill and the use of the military's telegraph line from that location to the Upper Signal Station, and another £60 directly to the War

²⁹² Henry Thurstan Holland, Letter to Committee of Lloyd's, letter, 1 July 1891, in Lloyd's of London, *Signal Station:s Europe*, 308; B. H. Holland, "Holland, Henry Thurstan, first Viscount Knutsford (1825–1914)," rev. H. C. G. Matthew, in *Oxford Dictionary of National Biography*.

²⁹³ E.R. Hussey, "Letter to the Committee of Lloyd's," 30 August 1891, in Lloyd's of London, *History Signal Stations: Europe*, 309.

²⁹⁴ Lloyd's of London, *History Signal Stations: Europe*, 309.

²⁹⁵ Lloyd's of London, *History Signal Stations: Europe*, 310.

Department, which was offset by an estimated £100 annually in receipts from ship agents in Gibraltar to be turned over to the underwriting organization. On their end, the governor of the territory and the Commanding Royal Engineer agreed to telegraph all casualties they observed directly and immediately to Lloyd's, as well as news of all passing vessels three times a day. Taking into account the profits made from selling the information to local merchants and those involved in commerce, the committee estimated that annual expenses for the station would total £176, with an income of £185.²⁹⁶ After nearly twenty years of persistent and demanding negotiations, the underwriting organization managed not only to have the military carry out their operations for them, but to actually make a profit of £9 a year for doing so. During this same period, the committee of Lloyd's was also pushing for similar concessions around the world, but particularly along Britain's coastline.

In 1900, the Admiralty through Sir Gerard Noel decided that all coastal war signal stations should be manned and worked in peace time as in war.²⁹⁷ Many of the existing coast guard stations were in very close proximity to those operated by Lloyd's, and it seemed to Noel "absurd" that the two should operate so close together when one would suffice.²⁹⁸ To accomplish this consolidation, he proposed a plan that would eventually lead to eighteen key locations, aside from those at which a similar arrangement was

²⁹⁶ Lloyd's of London, "Memorandum: Gibraltar Signal Station," 4 May 1903, in Lloyd's of London, *History of Signal Stations: Europe*, 321f-321g.

²⁹⁷ Gerard Noel, Admiral Sir Gerard Noel to Col. Hozier, Letter, 20 December 1900, in Lloyd's of London and the Admiralty, *Correspondence Re Admiralty Agreement July 22, 1903: Admiralty, Walton's and Treasury* (London: Waterlow Bros. & Layton, 1903), document 2, MS31657, Guildhall Library, London, United Kingdom. Birth and death dates for Noel unknown.

²⁹⁸ Gerard Noel, Admiral Sir Gerard Noel to Col. Hozier, Letter, 20 December 1900, in Lloyd's of London and the Admiralty, *Correspondence Re Admiralty Agreement*, document 2.

already in effect, be manned by the coast guard to do Lloyd's work.²⁹⁹ Noel gave two principal reasons for this exchange: —to practice for war in peace time, so as to render there official in wartime, a matter of vital importance,” and that often only one site existed for a signal station, and this was also often already held by Lloyd's, which stressed the —time, trouble, and expense,” required to obtain them.³⁰⁰

Over the next three years, correspondence continued between Hozier, as secretary for Lloyd's, and naval officials. These communications are particularly enlightening for understanding the development of the corporation's intelligence network over the previous half century. While Hozier was admittedly eager to assist in the martial protection of shipping and mercantile interests, he also made it abundantly clear that his first obligation was to the members of Lloyd's.³⁰¹ The corporation already had an agreement in place that allowed them to be placed at the disposal of naval authorities, using either existing staff or their own people in the event of the outbreak of a European war. Thus, some framework had already been established for such a handover of signaling responsibilities.³⁰² Hozier's concern, however, was that maritime intelligence should continue to be supplied to Lloyd's, and exclusively to Lloyd's.³⁰³ He cited the reason for the development of signal stations in the latter half of the nineteenth century, namely that they arose out of a case of fraud that indicated the necessity of the

²⁹⁹ Gerard Noel, Admiral Sir Gerard Noel to Col. Hozier, Letter, 20 December 1900, document 2; Evan MacGregor, Evan MacGregor for Admiralty to Secretary of Lloyd's, Letter, 12 December 1901, in Lloyd's of London and the Admiralty, *Correspondence Re Admiralty Agreement*, 44.

³⁰⁰ Gerard Noel, Admiral Sir Gerard Noel to Col. Hozier, Letter, 20 December 1900, document 2; Henry M. Hozier, H.M. Hozier to Admiralty, Letter, 5 January 1903, in Lloyd's of London and the Admiralty, *Correspondence Re Admiralty Agreement*, 130.

³⁰¹ Henry M. Hozier, H.M. Hozier to Admiral Sir Gerard H.U. Noel, K.C.M.G., Letter, 4 January 1901, in Lloyd's of London and the Admiralty, *Correspondence Re Admiralty Agreement*, document 3.

³⁰² Henry M. Hozier, —Signal Stations in General, to the Admiralty, Admiral Noel,” memorandum, 4 January 1901, in Lloyd's of London and the Admiralty, *Correspondence Re Admiralty*, 4-5.

³⁰³ Hozier, —Signal Stations in General,” 6-7.

corporation being the first to know of the appearance of any overdue ship, particularly before its owner received word.³⁰⁴ Out of this grew a circumstance in which Lloyd's corporate resources, as necessarily larger than those of a private individual, had ~~a~~ "practical monopoly" on commercial intelligence in the United Kingdom. From the underwriter's perspective, any agreement with the Admiralty would have to sustain this advantage.³⁰⁵ In addition to ensuring the steady and timely flow of information continued to the underwriters, some provision would have to be made that prohibited any competitor from moving in and establishing stations of their own.³⁰⁶

What resulted in 1904 was an agreement that, despite Hozier's attempts to portray it as primarily beneficial to the Admiralty, saved Lloyd's substantial amounts of money and granted the corporation numerous exclusive privileges and powers.³⁰⁷ The Admiralty calculated that it would save the insurance house twenty-seven to thirty-five pounds annually per station and perhaps double that if coast guard members worked at night. If naval officials undertook the work at the minimum of eighteen coastal locations, this would reduce costs by £486 per year using the lower estimate.³⁰⁸ Even if this number is somewhat high, it still represented a considerable cost reduction for Lloyd's and indicates the vast resources directed towards the gathering of intelligence around the world, particularly when remembering that by 1891, more than ten years earlier, 160 stations already existed. Additionally, Lloyd's was granted 4percent interest on ~~all~~ initial capital expenditures incurred in acquiring or establishing the stations" and relieved of the cost of

³⁰⁴ Hozier, "Signal Stations in General," 8.

³⁰⁵ Hozier, "Signal Stations in General," 8.

³⁰⁶ Hozier, "Signal Stations in General," 10.

³⁰⁷ Henry M. Hozier, H.M. Hozier to Admiralty, Letter, 5 January 1903, in Lloyd's of London and the Admiralty, *Correspondence Re Admiralty Agreement*, 130-31.

³⁰⁸ Evan MacGregor, Admiralty to H.M. Hozier, Letter, 23 February 1903, in Lloyd's of London and the Admiralty, *Correspondence Re Admiralty Agreement*, 137-38.

internal repairs as well as several taxes. In situations in which the station was more than one-half mile from a British Postal Telegraph Office, connecting wire would be laid at government expense.³⁰⁹

During this period, Lloyd's also engaged British and other states' government officials abroad. The Signal Stations sub-committee's memorandum from 1902 provides some incredibly striking examples of such interaction. In one region of the world, the Mediterranean, Red Sea and across the Near East, members debated what to do with the concessions granted by the governments of Egypt and the Sudan that gave Lloyd's a monopoly on wireless telegraphy in those countries.³¹⁰ In the report regarding Africa, the committee agreed that the corporation should accept a site for a station near Mombasa granted by the British East Africa Protectorate, as it would cost Lloyd's nothing.³¹¹ Additionally, in this document, considerable attention stresses and entertains the notion of whether various governments such as Portugal, Natal, the Seychelles, Mauritius, and Cape Colony should be approached for the granting of further privileges.³¹²

As the twentieth century began, Lloyd's of London was secure in its unique position of influence, but was soon to face additional challenges. Since the 1870s, the underwriting corporation had worked with Germany in more ways than the signal

³⁰⁹ Evan MacGregor, Admiralty to H.M. Hozier, Letter, 23 February 1903, 139.

³¹⁰ Sub-Committee on Signal Stations, "Memorandum to be laid before Committee of the Report on Commercial Maritime Intelligence in the Mediterranean, Red Sea, and Near East," Memorandum, June 1902, 4, in Lloyd's of London, *Agenda and Memoranda Considered by Signal Stations Sub-Committee*, July 1902, MS 31642, Guildhall Library, London, United Kingdom. This collection is loose material without page numbers.

³¹¹ Sub-Committee on Signal Stations, "Memorandum: Africa," Memorandum, 3 July 1902, 1, in Lloyd's of London, *Agenda and Memoranda Considered by Signal Stations Sub-Committee*, July 1902, MS 31642, Guildhall Library, London, United Kingdom.

³¹² Sub-Committee on Signal Stations, "Memorandum: Africa," 1-2.

stations, particularly by insuring its commercial shipping.³¹³ As early as 1906, the Committee for Imperial Defense began inquiries into the effect a war with the rising continental power would have. It found that the earnings from premiums for the German mercantile marine was so profitable that, in order to keep the business, underwriters promised to pay on all war losses, even those caused by the Royal Navy.³¹⁴

At the same time, the corporation worked ever more closely with the Admiralty in war preparations. In 1905, Lloyd's agreed to build four signal stations in Hong Kong, Sierra Leone, Mauritius and Fiji for the navy after the Treasury had refused to grant the necessary funds. In 1909, the committee helped establish an espionage network to track the German High Sea Fleet. The transmission of the corporation's considerable existing intelligence was further expedited through the installation of a secret telephone line that directly connected the secretary of Lloyd's to the Admiralty.³¹⁵ Thus, the careful and deliberate fostering of this public-private relationship over the course of the previous century continued into the next and still echoes in the institution's commanding presence in the field of insurance.

By the end of the nineteenth century, what had started out as essentially a wagering process over one hundred and fifty years earlier at the Royal Exchange was now a science, gathering, controlling, and analyzing vast quantities of data to accurately and profitably conduct business. Underwriting required those involved in the industry to not only be aware of available decision making resources, but to utilize them in an effective and consistent manner, thus maximizing profits.

³¹³ Paul M. Kennedy, *The Rise of the Anglo-German Antagonism: 1860-1914* (Atlantic Highlands, NJ: The Ashfield Press, 1989), 295

³¹⁴ Kennedy, *The Rise of the Anglo-German Antagonism*, 303.

³¹⁵ Nicholas A. Lambert, "Strategic Command and Control for Maneuver Warfare: Creation of the Royal Navy's 'War Room' System, 1905-1915," *The Journal of Military History* 69, no. 2 (April, 2005): 379.

Conclusion

Lloyd's is a unique and enduring British institution that ensured and sustained its relevance through active engagement with military, political, and commercial individuals and bureaucracies. Its leadership and policies bridged a gap between the private sphere of finance and the public sphere at both ends of the societal spectrum, from orphaned children of soldiers and a news-hungry population to the ruling establishment.

Concurrently, the institution's leading members represented the burgeoning economic elite whose wealth and source of power emanated not from land, but merchant activity, speculation, and the financial services sector. Neither the Barings, Goschen, Angerstein nor many others involved with Lloyd's came from the traditional aristocracy, but as either creators or scions of other fortunes, they gradually exerted more pressure and influence on those responsible for the affairs of the state.³¹⁶ They formed intricate networks based on business and family relationships that in many ways threatened the hereditary power brokers, even in the first half of the nineteenth century.³¹⁷ Furthermore, as a private enterprise with a global reach, and not just within the British Empire, they came very close to conforming to Hobson's —internationalism."³¹⁸ They integrated cross border communications networks with public engagement, transnational conflict resolution and prevention, and government participation in the pursuit of profitability.

Enduring the turmoil and uncertainty of the South Sea Bubble crisis in 1720, this relatively speculative insurance venture gradually transformed by the turn of the

³¹⁶ John Orbell, —Baring, Sir Francis, first baronet (1740–1810),” in *Oxford Dictionary of National Biography*; Thomas J. Spinner jun., —Goschen, George Joachim, first Viscount Goschen (1831–1907),” in *Oxford Dictionary of National Biography*; Palmer, —Angerstein, John Julius (c.1732–1823),” in *Oxford Dictionary of National Biography*.

³¹⁷ —Summary of Politics,” *Cobbett's Annual Register*, 24 September 1803.

³¹⁸ John Atkinson Hobson, *Imperialism: A Study* (London: James Nisbet & Co., 1902), 384-5.

nineteenth century into a financial powerhouse that issued a vast majority of the over 90 percent of marine insurance covered by individuals. The seventy-nine men who formed New Lloyd's Coffee House in 1771 distanced themselves from the often disreputable history of the insurance business, and through the formation of a governing committee, the collection of subscriptions, and a strict set of regulations, primed their organization for the wave of business presented over the next century. The simultaneous rise in the number of vessels operating throughout the world and the increased risk brought about by nearly thirty years of continuous naval conflict brought new opportunities and untold profit to those with the financial capabilities for taking on this environment.

The Napoleonic Wars, the War of 1812, and rampant piracy, while accounting for the profound success of Lloyd's, also created the atmosphere which made possible the de-monopolization of the marine insurance industry. The high number of losses and the necessary financial backing to insure these investments opened the door for criticism of the individual underwriting system. Whereas only two corporations legally had the right to effect policies before 1824, the relaxation of those regulations following nearly fifteen years of petitioning by the London business community greatly expanded options for shipowners. The decrease in business for those attached to Lloyd's necessitated significant structural change within the house.

The rearrangement of the managing committee in 1811, particularly the increased importance assigned to the secretary and committee of correspondence, marked a pronounced increase in proactive engagement with government, military, and business interests around the world. Recognizing the value and competitive advantage that accompanied control of information, the members of Lloyd's embarked on a farsighted

and intricate program of contact development. The agency system, formalized through instructions and appointments issued later that year, formed the bedrock of the entity's link to global commercial interests, fraud prevention measures, and, to a large extent, the shaping of government policy. These individuals, through their consistent, reliable, and timely provision of information to the London office, ensured that the members of Lloyd's could make educated, and therefore profitable, decisions. That many of the agents simultaneously held diplomatic and military positions within the British Empire enhanced the gradually coalescing relationship between this private entity and the nation's governing elite.

As the nineteenth century progressed, Lloyd's global economic and political presence took a more concrete form through the establishment of the signal stations. Developed to their furthest extent under Henry M. Hozier, secretary of the corporation for nearly forty years, these sources and routers of intelligence took procurement to a new level by adding an increased measure of exclusivity. As signal stations, by their nature, required valuable land near port entrances and major sea routes as well as competent, trained employees, Lloyd's had to engage more often and effectively with foreign and domestic government officials. As was seen through the inclusion of a right to conduct operations in the cession of Helgoland, Lloyd's multi-year negotiation with German military officials, consideration of both official and commercial interests in Gibraltar, and the operation of all domestic coastal stations by the coast guard after the beginning of the twentieth century, the committee was highly effective in their pursuance of privilege. In

all of these agreements, the secretary sought to secure a monopoly on marine information, which, by 1902, he believed Lloyd's had achieved.³¹⁹

Throughout all these advances, the underwriting house and its members relied on strategically placed allies at many levels throughout the government. From members of Parliament, Lords Mayor, military and diplomatic personnel abroad and at home, and cabinet members, Lloyd's recognized and exploited the possibilities of unique private-public partnerships. With these connections came power and influence that allowed the corporation to not only react quickly and effectively to losses, but even permitted it to manipulate and lessen risk itself. Agreements by the Admiralty to enforce convoy regulations during the wars of the early nineteenth century lessened the chance that underwriters would have to pay on policies, thus increasing the profits made by the high rate of premiums. The corporation's durability and respectability also allowed its members unique access to policy formation, particularly as expert witnesses in Parliamentary inquiries. Through these avenues, subscribers to Lloyd's could enhance their own prestige, as well as that of the corporation, while at the same time often providing a genuine service to the British marine community, as well as that of other nations.

This work has sought to provide some new insight into the complex web of relationships that operated in a vital sector of Imperial Britain's economy. Many of the arguments and conclusions put forward were based, in a large part, on available materials from Lloyd's own collections. Naturally, this approach, limited by time and resources, cannot provide a full and complete picture of the topic. Perhaps most importantly, work

³¹⁹ Henry M. Hozier, —Commercial Maritime Intelligence in the Further East,” Memorandum, Lloyd's of London, 15 July 1902,” in Lloyd's of London, *Agenda and Memoranda Considered by Signal Stations Sub-Committee, July, 1902*, MS 31642, Guildhall Library, London, U.K.

remains to be done coming from the other side, namely, using Admiralty, Board of Trade, and private records from those with whom underwriters and the committee for managing its affairs had contact. This thesis has, however, constructed a framework on which future scholarship can build, by addressing not what effect shipping had on the growth of the British Empire, but instead, what allowed trade to take place at all.

Glossary

Agent- An individual appointed by the committee at Lloyd's to act as a representative in domestic and foreign ports. He was typically responsible for relaying information concerning claims back to the underwriters, coordinating quality and reasonably priced services during payments on policies, particularly in ship repairs, and providing the committee with any intelligence thought necessary for the conduct of affairs at Lloyd's.

Chairman- Led the committee. While not always directly involved in the day to day affairs of the corporation, this figure often held high political or social position outside of Lloyd's. This quality enabled him to serve as a liaison with government, military, and other financial enterprises.

Committee at Lloyd's- Formalized in 1811, this body was responsible for the managing of affairs at Lloyd's. Its members concurrently held rotating positions in the committee of the treasury, responsible for financial matters, and the committee of correspondence, responsible for the gathering of relevant information and maintaining contacts with individuals and bodies outside of the corporation. Its members were elected by subscribers at annual general meetings.

House- Derived from Lloyd's origin as a coffee-house, this term was used throughout the nineteenth century as a reference to Lloyd's.

Secretary of Lloyd's- An employee of Lloyd's, this individual was the body's chief administrator, responsible for carrying out the goals and recommendations of the committee. Particularly in the latter half of the century, this individual was

most actively engaged with the corporation's expansion, external affairs, and communication.

Signal Station- A building, optimally on a prime piece of real estate adjacent to a port or heavily traveled sea-route, which facilitated the gathering and transmission of information back to the committee. Not always manned by individuals only connected with Lloyd's, regulations and agreements reached with foreign and domestic governments nevertheless made them a source of exclusive information for the house. They were the most blatant and visible source of Lloyd's hegemony in the marine insurance market.

Subscriber- Anyone who paid regular dues to be able to conduct underwriting at Lloyd's.

Underwriter- In the nineteenth century at Lloyd's, always an individual who agreed to take and back part or all of an insurance policy in return for the payment of premiums.

Bibliography

*** Indicates consulted but not used**

Lloyd's of London Primary Source Documents

Lloyd's of London. *Proceedings of the Committee: December 1771-1804*. Vol. 1.

MS31571. Guildhall Manuscript Collection. Guildhall Library. London. United Kingdom.

Lloyd's of London. *The Rules and Regulations of Lloyd's: With a Copy of the Trust Deed, and Copies of the Instructions to the Agents*. London: W. Hughes, 1813. Guildhall Library. London. United Kingdom.

Lloyd's of London. *A List of the Subscribers to Lloyd's and a List of the Agents and a Copy of their Appointment and Instructions, December 31, 1821*. Vol. 14. London: W. Hughes, 1822. Guildhall Library. London. United Kingdom

*Lloyd's of London. *Report of the Special Committee, Appointed on the 18th of May, 1824, by the Subscribers to Lloyd's for the Purpose of Opposing an Application to Parliament to Repeal the Restrictions Contained in the Act of 6th Geo. I. cap. 18. Presented at a General Meeting of the Subscribers, July 7, 1824; And Ordered to be Printed, and to be Taken into Consideration on the 28th of July 1824*. London: W. Hughes, 1824. In *Tracts: 1828-24*. 8244 BB 37. British Library. London. United Kingdom.

Lloyd's of London. *Committee Proceedings 20 March 1822-26 December 1832*. London. Lloyd's of London, 1832. MS 31571. Guildhall Manuscript Collection. Guildhall Library. London. United Kingdom.

- Lloyd's of London. *Petition of Underwriters: to the Right Honourable the Lords Spiritual and Temporal in Parliament Assembled, the Humble Petition of the Undersigned Underwriters, Individually and Separately Engaged in the Business of Marine Insurance*. In *Tracts: 1828-24*. 8244BB37. British Library. London. United Kingdom.
- Lloyd's of London. *A List of the Members of Lloyd's and Subscribers to the Underwriting and Merchant's Rooms: also a List of Agents to Lloyd's; with a Copy of their Appointments and Instructions*. 31 December 1851. Vol. 16. London: A. Williams, 1852. Guildhall Library. London. United Kingdom.
- Lloyd's of London: *Proceedings of Committee: December 1868-October 1870*. London: Burrup and Sons, 1870. MS 31571/36. Guildhall Manuscript Collection. Guildhall Library. London. United Kingdom.
- Lloyd's of London. *History of Signal Stations: Europe*. Vol. 3. London: Chas. Pearson and Son, Ltd., 1884. MS 31672. Guildhall Manuscript Collection. Guildhall Library. London. United Kingdom.
- Lloyd's of London. *Agenda and Memoranda Considered by Signal Stations Sub-Committee, July, 1902*. MS 31642. Guildhall Manuscript Collection. Guildhall Library. London. United Kingdom.
- Lloyd's of London and the Admiralty. *Correspondence Re Admiralty Agreement, July 22, 1903: Admiralty, Walton's and Treasury*. London: Waterlow Bros. & Layton, 1903. MS 31657. Guildhall Manuscript Collection. Guildhall Library. London. United Kingdom.

Published Primary

Great Britain and Germany. —Agreement between Great Britain and Germany, for the

Cession of the Island of Heligoland to Germany. Signed at Berlin, 1 July 1890, paragraph 6, Article XII,” in Hertslet, Edward. *The Map of Europe by Treaty Showing the Various Political and Territorial Changes which Have Taken Place Since the General Peace of 1814*. Vol. 4. London: Her Majesty’s Stationary Office, 1891. Courtesy of Google Books.

*Farington, Joseph, Kenneth Garlick, Angus D. Macintyre, and Kathryn Cave. *The Diary of Joseph Farington*. New Haven: Published for the Paul Mellon Centre for Studies in British Art by Yale University Press, 1978.

*Goschen, G.J. *Address by the Right Hon. G.J. Goschen to the Members of the Philosophical Institution at Edinburg on Laissez-Faire and Government Interference*. London: MacMillan and Co., 1883.

Lloyd’s Register of British and Foreign Shipping. *Lloyd’s Register of British and Foreign Shipping, from 1st July 1881 to the 30th June 1882*. London: Wiman and Sons, 1881.

Lloyd’s Register of British and Foreign Shipping. *Rules and Regulations for the Construction and Classification of Steel Vessels, 1 July 1905-30 June 1906*. London: Lloyd’s Register of British and Foreign Shipping Printing House, 1905.

Marryat, Joseph. *Observations upon the Report of the Committee on Marine Insurance with a Few Incidental Remarks on a Pamphlet Lately Published, entitled “A Letter to Jasper Vaux, Esq.” to which is added, Copy of a Report, Proposed as an*

Amendment to the Report Adopted by the Committee on Marine Insurance.

London. W. Hughes, 1810.

Marryat, Joseph. –“Copy of a Report proposed as an Amendment to the Report Adopted by the Committee upon Marine Insurance.” In Joseph Marryat, *Observations upon the Report of the Committee on Marine Insurance with a Few Incidental Remarks on a Pamphlet Lately Published, entitled “A Letter to Jasper Vaux, Esq.” to which is added, Copy of a Report, proposed as an Amendment to the Report Adopted by the Committee on Marine Insurance.* London. W. Hughes, 1810.

Marryat, Joseph. *Observations on the Application of the West India Dock Company for a Renewal of their Charter with analysis of the Evidence Given Before the Committee of the House of Commons on Foreign Trade, to Which Their Petition was Referred: and A Copy of the Report of the Said Committee.* London: J.M. Richardson, Cornhill and Ridgways, 1823.

Government Documents

Foreign Office

Anderson, P. —Doc. 294: Sir P. Anderson to Sir E. Malet.” Letter. 30 June 1890. In eds. Bourne, Kenneth and D. Cameron Watt. *British Documents on Foreign Affairs. Part I. Series F: Europe. Volume 18: Germany, 1848-1897.* Place of publication unknown: University Press of America, 1990. 367.

Malet, E. —Doc. 288: Sir E. Malet to the Marquis of Salisbury.” Letter. 24 June 1890. In eds. Bourne, Kenneth and D. Cameron Watt. *British Documents on Foreign Affairs. Part I. Series F: Europe. Volume 18: Germany, 1848-1897.* Place of publication unknown: University Press of America, 1990. 363.

Parliamentary Papers

House of Commons. –Report; with Minutes of Evidence, and Accounts, from the Select Committee on Marine Insurance.” *Sessional Papers, 1810 (226). Marine Insurance*. 18 April 1810.

House of Commons. –Consuls: Return to an address of the House of Commons to His Majesty, on the 7th of May 1822; for copies of the table or rate of fees of every kind, charged by the several British consuls general, consuls, and vice consuls, from British shipping and British subjects, at each place; distinguishing the amount or rate of charge under each separate head, in the years 1792 and 1821; also, by what authority those charges have been made.” *Sessional Papers, 1822 (464). Consuls*. 7 May 1822.

House of Commons. –Second Report from Select Committee on Metropolis Improvements; with the minutes of evidence, appendix, index, and plans.” *Sessional Papers, 1837-38 (661). Metropolis Improvements*. 2 August 1838.

House of Commons. –The Eighth Report of the Commissioners Appointed to Inquire into the Management of the Post Office, Part I.” *Sessional Papers, 1837-38 (85). Management of the Post Office*. 1837.

House of Commons. –Report from the Select Committee on Consular Service and Appointments; together with the proceedings of the committee, minutes of evidence, appendix and index.” *Sessional Papers, 1857-58 (482). Consular Service and Appointments*. 27 July 1858.

House of Commons. –Gottland and Heligoland: Copies of Reports made to the Board of Trade by the Assistant Secretary to the Marine Department respecting wrecking in

Gottland and Steam Navigation in the Baltic, and of Correspondence Relating thereto: and, of correspondence between the Board of Trade, the Committee of Lloyd's, and the Committee of the Salvage Association Respecting Wrecking in Heligoland, and of any act or ordinance recently Passed with Reference Thereto."

Sessional Papers, 1868-69 (373). Gottland and Heligoland. 12 July 1869.

House of Commons. –Report from the Select Committee on Diplomatic and Consular Services; together with the proceedings of the Committee, Minutes of Evidence, Appendix, and Index." *Sessional Papers, 1872 (314). Diplomatic and Consular Services. 16 July 1872.*

House of Commons. –Islands: Southern Ocean. Copy of the Correspondence between the Lords of the Admiralty and the Committee of Lloyd's, with respect to Her Majesty's ships calling at the islands between the Cape of Good Hope and Australia, to relieve those shipwrecked upon them." *Sessional Papers. 1876 (289). Islands: Southern Ocean. 1 June 1876.*

House of Commons. –Merchant ships freeboard. Copy of correspondence between the Board of trade, the committee for managing the affairs of Lloyd's, the Committee of Lloyd's Register of British and Foreign Shipping, and the Committee of Underwriters' Registry of Iron Vessels, having for their part to ascertain whether any principles can be adopted for determining the proper amount of freeboard in merchant ships." *Sessional Papers. 1876 (8). Merchant Ships Freeboard. 8 February 1876.*

House of Commons. –Coal cargoes (Spontaneous combustion, &c.). List of cases of spontaneous combustion, or of explosion of coal, on board ship, reported to the

Board of trade since the date of the report of the Royal Commission, showing the particulars of the voyage, of the casualty, and of the cargo and ventilatics in each case; also, list of ship's wholly laden with coal reported as missing since the date of the report of the Royal Commission, with such particulars of the voyage and cargo as can be ascertained; and, copy of correspondence between the Board of Trade and the committee for managing the affairs of Lloyd's relating to this subject; &c." *Sessional Papers, 1878 (366). Coal Cargoes*. 12 August 1878.

Parliamentary Debates

House of Commons. —Marine Insurance Company." 14 February 1810. *Parliamentary Debates*. Commons. Vol. 15. Cols. 399-424.

House of Commons. —Piracy in the West Indies—Dotterel and Carnation Cruizers." 4 March 1823. *Parliamentary Debates*. Commons. Vol. 8. Cols. 416-35.

House of Commons. —Marine Insurance Bill." 17 May 1824. *Parliamentary Debates*. Commons. Vol. 11. Cols. 766-75.

House of Commons. —Marine Insurance Bill." 28 May 1824. *Parliamentary Debates*. Commons. Vol. 11. Cols. 920-33.

House of Commons. —Mercantile Marine: Resolution." 28 July 1870. *Parliamentary Debates*. Commons. 3rd series. Vol. 203. Cols. 1102-11.

House of Commons. —Lloyd's Signal Stations Bill." 10 August 1888. *Parliamentary Debates*. Commons. 3rd series. Vol. 330. Cols. 362-76.

Newspapers and Periodicals

The Belfast Newsletter

The Bristol Mercury

The Caledonian Mercury (Edinburgh)

Cobbett's Annual Register

Daily News (London)

**The Economist* (London)

Glasgow Herald

Liverpool Mercury

**The Manchester Guardian*

The Morning Chronicle (London)

Northern Echo (Darlington, England)

**The New York Times*

Sun (London)

The Times (London)

World (London)

Western Mail (Cardiff, Wales)

Secondary Works

Books

Bagehot, Walter. *Lombard Street*. New York: E.P. Dutton and Company, 1920. Courtesy

of Google Books.

*Beeman, M.M. *Lloyd's London: An Outline*. Kingswood, Surrey: Windmill Press, 1937.

*Boyce, Gordon. *Information, Mediation, and Institutional Development: the Rise of*

Large-Scale Enterprise in British Shipping, 1870-1919. New York: St. Martin's

Press, 1995.

- Brendon, Piers. *The Decline and Fall of the British Empire, 1781-1997*. New York: Alfred A. Knopf, 2008.
- Cannadine, David. *The Decline and Fall of the British Aristocracy*. New Haven, CT: Yale University Press, 1990.
- *Carruthers, Bruce G. *City of Capital: Politics and Markets in the English Financial Revolution*. Princeton, N.J.: Princeton University Press, 1996.
- Chalmers, Mackenzie Dalzell Edwin Stewart and Douglas Owen. *A Digest of the Law Relating to Marine Insurance*, 2nd ed. London: William Clowes and Sons, Limited, 1903. Courtesy of Google Books.
- Cockerell, Hugh. *Lloyd's of London: A Portrait*. Cambridge: Woodhead-Faulkner, 1984.
- *Collinge, J.M. *Navy Board Officials, 1660-1832*. London: Institute for Historical Research, 2004. Online. <http://www.british-history.ac.uk/source.asp?pubid=77>. (Accessed 10 October 2009).
- *Colson, Percy, ed. *Lord Goschen and His Friends*. London: Hutchinson & Co., 1946.
- Crossley, Nick and John Michael Roberts, eds. *After Habermas: New Perspectives on the Public Sphere*. Malden, MA: Blackwell Publishing, 2004.
- Danson, John Towne. *Our Next War, in its Commercial Aspect: with some Account of the Premiums Paid at „Lloyd's' from 1805 to 1816*. London: Blades, East, and Blades, 1894.
- Duer, John. *The Law and Practice of Marine Insurance deduced from a Critical Examination of the Adjudged Cases, the Nature and Analogies of the Subject, and the General Usage of Commercial Nations*, Vol. 1. New York: John S. Voorbies, 1845. Courtesy of Google Books.

- Ensor, R.C.K. *England: 1870-1914*. New York: Oxford University Press, 1941.
- *Falola, Toyin and Amanda Warnock, ed. *Encyclopedia of the Middle Passage*. Westport, Conn.: Greenwood Publishing Group, 2007.
- Fayle, C. Ernest. —“Shipowning and Marine Insurance.” In *The Trade Winds: A Study of British Overseas Trade During the French Wars 1793-1816*, ed. C. Northcote Parkinson. London: George Allen and Unwin, Ltd., 1948.
- Foster, Benjamin Franklin. *The Clerk’s Guide, or Commercial Correspondence; comprising Letters of Business, Forms of Bills, Invoices, Account-Sales, and an Appendix containing Advice to Young Tradesmen and Shopkeepers, Equation of Payments, Commercial Terms, etc.* Boston: Perkins and Marvin, 1837. Courtesy of Goldsmiths-Kress Library of Economic History. Gale Databases.
- Gibb, D.E.W. *Lloyd’s of London: A Study in Individualism*. London: St. Martin’s Press, 1957.
- Golding, C.E. and D. King-Page. *Lloyd’s*. London: McGraw-Hill Book Company, Inc., 1952.
- Grey, Henry M. *Lloyd’s Yesterday and Today*. London: John Haddon & Co., 1893.
- *Grove, Eric. *The Royal Navy Since 1815: A New Short History*. New York: Palgrave Macmillan, 2005.
- *Harding, Vanessa and Priscilla Metcalf. *Lloyd’s at Home*. London: Lloyd’s of London, 1986.
- Headrick, Daniel R. *The Tools of Empire: Technology and European Imperialism in the Nineteenth Century*. New York: Oxford University Press, 1981.

Hobson, James Atkinson. *Imperialism: A Study*. London: James Nisbit & Co., 1902.

Courtesy of Google Books.

*Hodgson, Godfrey. *Lloyd's of London*. New York: Viking Press, 1984.

Holland, Edgar Swinton. *A History of the Family of Holland of Mobberley and Knutsford in the County of Chester with Some Account of the Family of Holland of Upholland and Denton in the County of Lancaster*. Edinburgh: Ballantyne Press, 1902. Courtesy of Google Books.

*Hope, Ronald. *A New History of British Shipping*. London: J. Murray, 1990.

Horsfall, Lucy Frances. "The West Indian Trade." In *The Trade Winds: A Study of British Overseas Trade During the French Wars, 1893-1815*. Ed. C. Northcote. London: George Allen and Unwin, Ltd., 1948.

*James, William. *The Naval History of Great Britain: During the French Revolutionary and Napoleonic Wars*. London: Conway Maritime, 2002.

*Jenks, Timothy. *Naval Engagements: Patriotism, Cultural Politics, and the Royal Navy 1793-1815*. New York: Oxford University Press, 2006.

*Kennedy, Paul M. *The Rise and Fall of British Naval Mastery*. London: Penguin Books Ltd., 1976.

Kennedy, Paul M. *The Rise of the Anglo-German Antagonism: 1860-1914*. Atlantic Highlands, N.J.: The Ashfield Press, 1989.

*Lloyd, Christopher. *The Navy and the Slave Trade: The Suppression of the African Slave Trade in the Nineteenth Century*. London: Cass, 1968.

Mahan, Alfred T. *The Influence of Sea Power upon the French Revolution and Empire, 1793-1812*. Vol. 2. Boston: Little, Brown, and Company, 1894.

- Martin, Frederick. *The History of Lloyd's and of Marine Insurance in Great Britain with an Appendix containing Statistics Relating to Marine Insurance*. London: MacMillan and Co., 1876.
- Matthew, H.C.G. and Brian Harrison, eds. *Oxford Dictionary of National Biography*, ed. Oxford: Oxford University Press, 2004. Online. <http://www.oxforddnb.com/>
- *Maxwell, John Irving. *The spirit of marine law or compendium of the statutes relating to the Admiralty; being a concise but perspicuous abridgment of all the acts relative to navigation*. London: Bunney and Gold, 1800. Based on information from *English Short Title Catalogue. Eighteenth Century Collections Online*. Gale Group.
- *Obstfeld, Maurice and Kenneth Rogoff. *Foundations of International Macroeconomics*. Cambridge, MA.: The MIT Press, 1996.
- Palmer, Sarah. "The Indemnity in the London Marine Insurance Market, 1824-50." In *The Historian and the Business of Insurance*. Ed. Oliver M. Westall. Dover, N.H.: Manchester University Press, 1984.
- Paret, Peter, ed. *Makers of Modern Strategy from Machiavelli to the Nuclear Age*. Princeton, NJ: Princeton University Press, 1986.
- Parsons, Theophilus. *A Treaties on the Law of Marine Insurance and General Average*. Vol. 1. Boston: Little, Brown and Company, 1868. Courtesy of Google Books.
- *Raynes, Harold E. *A History of British Insurance*. London: I. Pitman, 1948.
- Rordansz, C.W. *European Commerce; or, Complete Mercantile Guide to the Continent of Europe; comprising an Account of the Trade of all the Principal Cities of the Continent, copious Tables of their Monies, Exchanges, Weights, and Measures,*

with their Proportion to those in England, the Local Regulations of Each Place, their Tariffs of Duties, Methods of Buying and Selling, Tares and Other Allowances; Together with numerous Official Documents, Ordinance, etc. Forming a Complete Code of Commercial Information to which is added, An Appendix, containing Several Important Commercial laws, and the Tariff of Duties, as Regulated by the Congress of the United States. Boston: Cummings and Hilliard, 1819. Courtesy of "The Making of the Modern World: Goldsmiths'-Kress Library of Economic Literature 1450-1850," Gale Databases.

*Ruger, Jan. *The Great Naval Game: Britain and Germany in the Age of Empire.* New York: Cambridge University Press, 2007.

Stoker, Bram. *Dracula.* Charlottesville, VA: University of Virginia Library, 1996.

Supple, Barry. *The Royal Exchange Assurance: A History of British Insurance 1720-1970.* Cambridge: Cambridge University Press, 1970.

Twist, Anthony. *A Life of John Julius Angerstein, 1735-1823: Widening Circles in Finance, Philanthropy, and the Arts in Eighteenth-Century London.* Lewiston, NY: The Edwin Mellen Press, 2006.

Winter, William D. *Marine Insurance: Its Principles and Practice.* New York: McGraw-Hill Book Company, 1919.

Westall, Oliver M., ed. *The Historian and the Business of Insurance.* Dover, N.H.: Manchester University Press, 1984.

Wright, Charles and C. Ernest Fayle. *A History of Lloyd's from the Founding of Lloyd's Coffee House to the Present Day.* London: MacMillan and Company Limited, 1928.

Journal Articles

Frankel, Boris and Jurgen Habermas. —Habermas Talking: An Interview.” *Theory and Society* 1 (Spring 1974): 37-58.

Galbraith, John S. —The ‘Turbulent Frontier’ As a Factor in British Expansion.” *Comparative Studies in Society and History* 2, no. 2 (January 1960):150-68.

*Hancock, David. —‘Domestic Bubbling’: Eighteenth-Century London Merchants and Individual Investment in the Funds.” *Economic History Review* 47, no. 4 (November, 1994): 679-702.

Harris, Ron. —The Bubble Act: Its Passage and Its Effects on Business Organization.” *The Journal of Economic History* 54, no. 3 (September 1994): 610-27.

Lambert, Nicholas A. —Strategic Command and Control for Maneuver Warfare: Creation of the Royal Navy’s ‘War Room’ System, 1905-1915.” *The Journal of Military History* 69, no. 2 (April 2005): 361-410.

Mitchie, R.C. —The London Stock Exchange and the British Securities Market, 1850-1914.” *The Economic History Review* 38, no. 1 (February 1985): 61-82.

Pearson, Robin. —Towards an Historical Model of Services Innovation: the Case of the Insurance Industry, 1700-1914.” *The Economic History Review* 50, no. 2 (May 1997):235-56.

Rose, J.H. —Napoleon and English Commerce.” *The English Historical Review* 8, no. 32 (October 1893): 704-25.

*Rubinstein, W.D. —The End of ‘Old Corruption’ in Britain, 1780-1860.” *Past & Present* 101 (November, 1983): 55-86.

Sumida, Jon. "British Naval Administration and Policy in the Age of Fisher." *The Journal of Military History* 54, no.1 (January, 1990): 1-26.

Ville, Simon. "The Growth and Specialization in English Shipowning, 1750-1850." *The Economic History Review* 46 no. 4 (November 1993): 702-22.

Films

King, Henry, dir. *Lloyd's of London*, VHS. Twentieth Century Fox, 1936.