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SIR THOMAS GRESHAM'S EXCHANGE

PROFESSOR STEPHEN ALFORD

Goe to th'Exchange, crave Gold as you intend

William Haughton, Englishmen for My Money, 1598

Origins of the Exchange

In the early sixteenth century London was not one of the leading financial centres of Europe – or indeed one of its leading cities. If we want to understand London, and the story of the Royal Exchange, we need to begin in Antwerp, entrepôt for north-western Europe and the commercial powerhouse of its day, where English merchants went to sell their cloth.

The Antwerp exchanges: the Oude Beurs (1515) off the Grote Markt and the Nieuwe Beurs (1531). Daniel Rogers (c.1538-91) on the (new) Antwerp bourse:

‘A confused sound of all languages was heard there, and one saw a parti-coloured medley of all possible styles of dress; in short ... a small world wherein all parts of the great world were united.’ (Alford, *London's Triumph*, 106-7).

Early Tudor London had no purpose-built equivalent to the bourse where merchants could conduct their business. Before the building of the Exchange, debtors settled with their creditors ‘at the Font in Poules Church’ (Stow, *Survey*, i, 225) – St Paul’s Cathedral – and merchants met together on Lombard Street:

“Then have ye Lombardstreet, so called of the Longobards, and other Marchants, strangers of diverse nations assembling there twice every day, of what originall, or continuance, I have not read of record. The meeting of which Marchants and others, there continued until the 22 of December, in the yeare, 1568. on the which day, the said Marchants began to make their meetings at the Bursse, a place then new builded for that purpose in the warde of Cornehill, and was since by her Majestie, Queene Elizabeth, named the Royall Exchange.” [Stow, *Survey*, i, 201]

These two areas of city and City activity are significant: St Paul’s and its churchyards as places of meeting for Tudor Londoners (sermons at Paul’s Cross, booksellers in Paul’s Cross Churchyard, promenading, begging etc.), and the mercantile focus of Lombard Street and Cornhill.

The first efforts to build an exchange in London were those of Sir Richard Gresham (c.1485-1549), Lord Mayor in 1538, who presented to Thomas Cromwell a plan for a bourse in Lombard Street:

“The last yere I shewyd your good Lordshipe a platte [plans] that was drawn howte for to make a goodely Bursse in Lombertstrette for merchautes to repayer unto[:] I doo suppose yt wyll cost ij mli [£2000] and more ...” (British Library, Cotton MS Otho E.X, f. 45).

This first effort came to nothing.

Sir Richard’s son Thomas Gresham (c.1518-79), mercer and merchant adventurer 1543/51, was in charge of the Greshams’ business operations in the Low Countries from 1546, based in Antwerp: “he was living in the ... Nieuwe Lange Straat and visiting the Nieuwe Beurs almost daily” (Saunders, ‘Building the Exchange’, 36). From 1551 Gresham was managing the English Crown’s considerable debt in Antwerp – a mercantile diplomat, knighted in December 1559.



The 1560s. Richard Clough, one of Gresham's factors, wrote to Sir Thomas: 'I will not doubt but to make so fair a bourse in London as the great bourse is in Antwerp.' (December 1561, British Library, Lansdowne MS 5, f. 96)

May 1563: the death of Richard Gresham, Sir Thomas's son and heir; the Court of Aldermen agree to move Gresham towards founding a bourse. January 1564: Gresham makes his offer to the City of London to build a bourse:

"And it was also graunted and agreed that he shall have lycense to sett such straungers on and about the makyinge of the same burse as to him shall be thought requisite and useful to be hadde for the accomplishment." (Saunders, 'Building of the Exchange', 37)

John Stow:

"the ground or plot was made plaine at the charges of the Citie, and then possession thereof was by certaine Aldermen, in name of the whole Citizens, given to sir Thomas Gresham knight, Agent to the Queenes Highnesse, thereupon to build a Bursse, or place for marchants to assemble in, at his owne proper charges..." (Stow, Survey, i, 192-3)

"It is hard not to conclude that in his benefactions he [Gresham] was seeking to establish his name indelibly as a civic benefactor of the greatest munificence, in London." (Harding, 'Citizen and Mercer', 37)

Building the Exchange

The Exchange was built quickly. Gresham himself laid the first brick on 7 June 1566 and in November 1567 'the same was covered with slate, and shortly after fully finished' (Stow Survey, i, 193).

It was the Royal Exchange from 23 January 1571:

"After dinner [with Gresham in his mansion on Bishopsgate], her Majestie returning through Cornehill, entred the Bursse on the South side, and after that she had viewed every part thereof above the ground; especially the Pawne, which was richly furnished with all sorts of the finest wares in the Citie: shee caused the same Bursse by an Herald and a Trumpet, to be proclaimed the Royal Exchange, and so to be called from thenceforth, and not otherwise." [Stow, Survey, i, 193]

(Note here the reference to the 'Pawn' – see below).

The Exchange described in 1576:

It is a quadrangle surrounded by three great walks or galleries one above the other. ... The central aisle is where the merchants retire and shelter when it rains; it is six or seven paces wide and paved with black and white blocks – a fine work! Around this alley are 36 great stone columns, each 12 feet high, set four paces apart.

The heart of the Exchange is the quadrangle, large enough to hold 4,000 merchants aside from the central walk; it is cobbled and is 80 paces long and 60 wide. Here the merchants stroll in fine weather and talk business at the times aforesaid. High on the façade, on the inner walls, all about the Exchange, are 36 columns of Jasper marble, set at 10 feet apart, and between them niches in the façade in which to place figures of the Kings and Queens of England, those who have reigned since William the Conqueror, which are to be of bronze; above the columns are to be painted, flat, the arms and names of the Kings, Princes and Lords of those times.

You enter the Exchange by two great portals or doorways, one on the South side, the other on the North. These portals are flanked on either side with a huge column of fine Jasper marble; each must be 14 feet high, and in the middle of the aforesaid entrances is a similar column which divides them in two. The threshold of the aforesaid portals is of the same marble as the columns. Above the portals, in front of the Exchange, is a bas-relief with the arms and devices of England – very fine work. The first device is Honi soit qui mal y pense and the second Dieu et mon droit. [Saunders (ed.), Royal Exchange, 48]

The Exchange combined business (exchange) and leisure (shopping in the galleries and Pawn, as well as music on Sundays in the summer).

The Exchange at work



The hours of trading and business were in two hour-long sessions, between eleven o'clock in the morning and twelve noon and then again between five and six o'clock in the afternoon. The Exchange was (notionally) divided into 'nations':

"The English occupy about half the Exchange, and the French have their particular station too, as do the Flemish and the Walloons, the Italians and the Spanish. However, they are all at liberty to go hither and thither through the Exchange according to their need." (Saunders (ed.), *Royal Exchange*, 48)

Thomas Platter in 1599:

"The exchange is a great square place like the one in Antwerp a little smaller though, and with only two entrances and only passage running through it, where all kinds of fine goods are on show; and since the city is very large and extensive, merchants having to deal with one another agree to meet together in this place, where several hundred may be found assembled twice daily, before lunch at eleven, and again after their meal at six o'clock, buying, selling, bearing news, and doing business generally." [Saunders, 'Building of the Exchange', 45]

It was not a stock exchange as such (cf. Amsterdam later, and the trading of shares in the Dutch East India Company), but principally bills of exchange drawn up by individual merchants which facilitated the moving of money across Europe. Documents (drawn up by notaries) and movement (factors, posts):

"Their [the merchants'] letters can reach them there, and letter-carriers deliver [messages] to those to whom they are addressed. Here also one regularly hears the news of other countries and regions, which is a great convenience for those who traffick in merchandise across the sea." (Saunders (ed.), *Royal Exchange*, 48)

The Exchange was in fact open to all Londoners – to the elite (who went to shop and promenade), to the poor (who went to beg) and to criminals (who saw opportunities to pick purses or to dupe and gull the naive). John Payne, in 1597, saw the life of the Exchange in moral terms:

"Like as the great resort to that famous edifice are of sundry title and degrees: so, the complete number walking and talking there be as contrary in mind and disposition as of trade and calling. A place where God's truth and equity with their direct contraries are sometimes spoken of to the God's glory and to the service of Satan" [Payne, *Royall Exchange*, sig. B1]

Londoners and the Exchange

The Exchange was a kind of stage. In fact, the Exchange was on the stage in one of the first plays to use London as a setting for drama, William Haughton's *Englishmen for my Money* (1598, printed 1616). The play tells the story of Pisaro, a rich Portuguese merchant and usurer, who plans to marry his daughters against their wills to three wealthy foreigners. The daughters love three Englishmen who are in Pisaro's usurious clutches. The Englishmen are able to outwit Pisaro and marry the daughters.

Scene 3, The Exchange:

Towerson [a merchant]: But hear you sir, my business is not done; From these same ships I did receive these lines, And there enclosed this same bill of exchange, To pay at sight; if so you please accept it.

Pisaro: Accept it, why? What sir should I accept, Have you received letters, and not I? Where is this lazy villain, this slow post? What, brings he every man his letters home, And makes me nobody; does he, does he? I would not have you bring me counterfeit; And if you do, assure you I shall smell it: I know my factor's writing well enough.

Towerson: You do sir; then see your factor's writing: I scorn as much as you, to counterfeit.

Pisaro: The news here is, that the English ships, the *Fortune*, your ship, the *Adventure* and *Good Luck* of London coasting along by Italy towards Turkey, were set upon by two Spanish galleys, what became of them we know not, but doubt much by reason of the weather's calmness.

At the Exchange business and pleasure mixed. Shops selling the most expensive merchandise (haberdashery, mercery, armour etc.) occupied the south side of the Exchange in the *Pawn*, a name derived from *pand*, the kind of arcade or cloister used to sell cloth and other goods in the great Antwerp fairs.



1576:

“The lowest one [gallery] is subterranean; here and there in that one are several stalls to sell merchandise and here drapers and cloth-merchants lay out their wares... This under croft is called New Venice. ... The third walk is a gallery, which is above the others and is excellent, beautiful and rich. You climb to it by 25 or 30 steps which are arranged in flights of seven. That gallery has all around it 150 stalls of rich merchandise, most notably of all sorts of mercery.” [Saunders (ed.), Royal Exchange, 48]

At the Exchange the rich showed off their riches:

“I challenge all Cheapside, to show such another – Moorfields, Pimlico path, or the Exchange, in a summer evening with a lace to boot as this has.” [Ben Jonson, *Bartholomew Fair*, 1614, I. ii. 5-6]

“When she lies in, As now, she’s even upon the point of grunting, A lady lies not in like her; there’s her embossings, Embroid’rings, spanglings, and I know not what, As if she lay with all the gaudy-shops In Gresham’s Burse about her...” [Thomas Middleton, *A Chaste Maid in Cheapside*, 1613, I. ii. 30-35]

Yet the poor were in evidence too:

“The poor ... pass to and fro through the Exchange’ (Payne, *Royall Exchange*, 30). In the parish of St Bartholomew Exchange: ‘Paid to the Relief of a Pore man which was fallen sicke in the Roiall exchange about the 12 of January, 1598 [1599], and for acqua vitee and iij poore women to looke to him.’ (Freshfield (ed.), *Account Books*, 6)

Inevitably tied to poverty was the deep Elizabethan fear of crime.

Spies too met and dined near the Exchange, like Anthony Babington (putative assassin of Queen Elizabeth I) in the summer of 1586:

“Next adjoining to this Royall Exchange remaineth one part of a large stone house, and is now called the Castell of such a signe, at a Taverne doore there is a passage through out of Cornehill into Three needle streete, the other part of the said stone house was taken downe for enlarging the Royall exchange” [Stow, *Survey*, i, 193]

At the Castle Babington gave a supper for his friends (and co-conspirators) on Thursday, 28 July 1586.

“Syr, Master Anthony Babbington hath this nighte bespoken a gret supper at the Castell nere to the Exchange where he supped yesternighte ... I have sett one in the next Roome ... to supp there to thend he maye be assured to se whoe comethe thither.” [Nicholas Berden to Francis Mylles, 28 July 1586, *The National Archives*, Kew, SP 53/18, no. 82]

The Exchange was a place to advertise one’s professional credentials (like Dr Langton, a medical attendant to Gresham, whose testimonial was torn down by a rival in 1573) and to air public grievances, e.g. Clement Draper in 1592, ruined – so he claimed – by the Earl of Huntingdon:

“I protested publicly unto my creditors and spread the same protests upon the Royal Exchange and gates of the city, to manifest my wrongs and to crave liberty.” (Alford, *London’s Triumph*, 112)

There were political libels too: one, in 1601, was found on the stairs of the Exchange by its keeper, reported by him to the Lord Mayor, who in turned reported it to the queen’s secretary Sir Robert Cecil.

If the Exchange was a place of meeting and conversation, it was a place also of print. Some booksellers sold books from the Pawn. The best example is the entrepreneurial Thomas Hacket:

“to be solde at his shoppe in the Royall Exchaunge at the signe of the greene Dragon.”

The Exchange and the world

One of the books sold at the Exchange, in 1601, was the account of the second Dutch voyage to the East Indies. If the Exchange was European, Europe at the turn of a century looked out to the world beyond its own continent.

“The Flemish-inspired structure had a cosmopolitan air, it spoke of a sophisticated Europe beyond the experience of the less travelled London citizens, it opened up new possibilities which an enterprising



merchant might seek and grasp, if only he were sufficiently adventurous and sufficiently lucky.” (Saunders, ‘Building of the Exchange’, 43)

Here we are able to encounter both tussles over upkeep and fabric and the wider resonances of what the Royal Exchange meant for London’s mercantile reputation.

Upkeep was an issue as early as 1581, two years after Sir Thomas Gresham’s death, when the Privy Council was forced to write politely but firmly to his widow Dame Anne. Their Lordships understood that one part of the Royal Exchange had fallen down and that repairs could be made for the sum of twenty pounds or thereabouts:

“Albeit they doubt not of her care to be had in the maynteyning of that famous buylding in respect of the memorie of her late husband the executor of the same and the discharge of the truste commytted unto her ... Yet for that it standeth with the honnor of her Majestie and the Realme that so worthie a monument should not be suffered to fall into ruyn and decaye: they have though good to require her to take order that the presente decayes there happened be spedilie and substanciallie amended and repaired according to the first forme and beawtie of the rest of the worke.” (The National Archives, Kew, PC 2/13 p. 419)

The floating Royal Exchange, by 1595 one of the two most imposing of the Levant Company’s ships: three hundred tons and each with a crew of seventy sailors. The Levant Company was the first foundation of the East India trade after 1601.

The end for Gresham’s Exchange came in the Great Fire of 1666. Thomas Vincent’s account of the destruction captures the drama:

“Now the Flames break in upon Cornhill, that large and spacious street, and quickly crosse the way by the train of Wood that lay in the streets untaken away, which had been pull’d down from houses to prevent its spreading: and so they lick the whole street as they go: they mount up to the top of the highest houses; they descend down to the bottom of the lowest vaults and cellars; and march along on both sides of the way, with such a roaring noise, as never was heard in the City of London; no stately building so great, as to resist their fury: the Royal Exchange itself, the glory of the Merchants, is now invaded with much violence; and when once the fire was entred, how quickly did it run round the Galleries, filling them with flames; then came down staires, compasseth the walkes, giving forth flaming volleys, and filleth the court with sheets of Fire; by and by down fall all the Kings upon their faces, and the greatest part of the stone-building after them, (the Founders statue only remaining) with such a noise, as was dreadful and astonishing.” [Vincent, *God’s Terrible Voice*, 61-2]

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