

Liverpool and the Raw Cotton
Trade:
A Study of the Port and its
Merchant Community, 1770-1815

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ABSTRACT

This thesis examines the port of Liverpool, its merchant community, and the growth of the raw cotton trade from its initial rise c. 1770 to the end of the Napoleonic period in 1815. By constructing a large database from Liverpool import lists published in Lancashire newspapers, combined with surviving cotton planter, merchant, and manufacturer papers, this thesis analyses: first, the rise of Liverpool as a major British cotton port and the geographical shifts in the port's cotton supply from the West Indies to Guyana, Brazil, and the United States; then second, the organisation of Liverpool's cotton trade in the Atlantic basin and at home. The port's cotton trade and the form of cotton procurement developed out of the pre-existing trading conditions prior to the cotton boom between Liverpool and each cotton cultivation region, and underwent major re-organisation in the early nineteenth century. Liverpool's cotton trade attracted new merchants who specialised in the import-export trade with one major region. Therefore, as cotton cultivation expanded from the West Indies to northern South America and the southern United States, the Liverpool market underwent a de-concentration from an oligopoly in the hands of few large cotton merchants to a more competitive market with many cotton importers. Ultimately, greater specialisation of Liverpool's cotton merchant and brokerage community resulted in increased efficiency in the importing, marketing, and selling of cotton on the British market, while a de-concentration of the Liverpool market provided the right market conditions to ward off artificially high prices, fostering the development of a cheap supply of raw cotton needed to sustain industrialisation of the British cotton industry in the nineteenth century.

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ABBREVIATIONS

Manchester Mercury and Harrop's General Advertiser	MMHGA
Essequibo and Demerary Royal Gazette	EDRG
Liverpool Cotton Database	LCD
Liverpool Record Office	LRO
Liverpool University: Special Collections and Archives	LUSCA
London Metropolitan Archives	LMA

INTRODUCTION

Within the space of less than half a century, 1770-1815, the British cotton industry expanded from a minor sector of the British economy to a very prominent position. Increasingly, cotton mills resembled large manufacturing complexes, turning thousands of spindles simultaneously, powered by water or steam. Raw cotton, needed to produce cotton yarn and then cloth, could not be grown in the British Isles and therefore was imported from distant tropical and semi-tropical suppliers. To satisfy demand of cotton manufacturers, British importers procured greater amounts of cotton in the second half of the eighteenth century as British cotton imports grew from 1.6 million lbs. in 1741 to an annual average of 4.7 million lbs. in 1771-1775 and 56 million lbs. in 1800.¹ Much of the cotton entered Britain via London, but by 1815, Liverpool, located thirty-five kilometres west of Manchester, overtook London as the undisputed principal British cotton port.

Yet, Liverpool's history as a cotton port, 1770-1815, has not received detailed study.² Historians have emphasized the importance of Manchester manufacturers and technological innovations in explaining the rise of British cotton textiles, giving little attention to Liverpool's merchants.³ Because merchants acted as indispensable middlemen between cotton cultivators and textile manufacturers, providing a number of services to their clients, a detailed study of their role is needed. This thesis will discuss Liverpool's cotton trade and its cotton-trading community from 1770 to 1815, the years when Merseyside emerged to be Britain's major cotton port.

None of the three most important historians who have studied the rise of the British cotton trade—Thomas Ellison (1886), Stanley Buck (1925), and Michael M. Edwards (1967)—closely examined Liverpool and its merchant community during

¹ Edward Baines, *History of the Cotton Manufacture in Great Britain*, (London: Fisher, Firsher and Jackson, 1835), pp. 346-347.

² For a vast literature on the British Cotton industry see Terry Wyke and Nigel Rydyard, *Cotton: a select bibliography on cotton in North West England*, (Manchester, 1997).

³ See for example Edward Baines, *History of the Cotton Manufacture in Great Britain*, (London: Fisher, Firsher and Jackson, 1835); James, C. Mann, *The Cotton Trade of Great Britain*, (London: Simpkins, Marshall & Co., 1860); Gerhart Von Schulze-Gaevernitz, *The Cotton Trade in England and on the Continent*, (London: Simpkin, Marshall, Hamilton, Kent, and Co., 1895); Sydney J. Chapman, *Lancashire Cotton Industry*, (Manchester: University of Manchester, 1904); Geoffrey W. Daniels, *The Early English Cotton Industry*, (Manchester: Manchester University Press, 1920); Alfred P. Wadsworth, Alfred and Julia De Lacy Mann, *The Cotton Trade and Industrial Lancashire, 1600-1780*, (Manchester: Manchester University Press, 1931).

cotton's expansionary period.⁴ Ellison, who worked as a cotton broker, focused on post-1815 developments, providing only a brief account of the Liverpool cotton market in the eighteenth century. He did, however, document the progression and establishment of Liverpool's major cotton brokerage firms in the late eighteenth and early nineteenth century.⁵ Relying mostly on Parliamentary testimony given before 1850, Buck analysed the growing trade of raw and manufactured cotton between Britain and the United States in the first half of the nineteenth century.⁶ The best summary of the early expansion in the British cotton trade remains Edwards' *Growth of the British Cotton Trade, 1780-1815*. The author studied domestic and overseas markets for raw cotton, yarn, cloth, and goods markets, and addressed themes of fixed and working capital formation. Yet his discussion of the supply of cotton and the British cotton market focused on the planter and manufacturer rather than the merchant as the middleman.⁷

The lack of extant detailed primary sources, to some extent, explains the absence of a study of Liverpool's pre-1815 cotton trade. Ideally, a study of Liverpool's raw cotton trade and merchant community requires quantitative data of the port's cotton imports. Unfortunately, only a handful of detailed Liverpool merchant papers or contemporary accounts survive. Liverpool port books specify weekly imports and exports, but the overseas trade port books for 1727-1818 are lost. The few Liverpool merchant papers that survive give scant information on Liverpool's raw cotton trade. The most useful surviving manuscript is Liverpool cotton broker Nicholas Waterhouse's ledger, 1799-1802, which recorded cotton sales.⁸ Its discovery in the early twentieth century prompted publications by Stanley Dumbell in 1926 and by Francis E. Hyde, Bradbury B. Parkinson, and Sheila Marriner in 1955.⁹ More recently, in 2001, Nigel Hall published articles on nineteenth century Liverpool's cotton market, utilising

⁴ Thomas Ellison, *The Cotton Trade of Great Britain: Including a History of the Liverpool Cotton Market and of the Liverpool Brokers' Association*, (London: Effingham Wilson, 1886); Norman S. Buck, *The Development of the Organisation of Anglo-American trade, 1800-1850*, (New Haven: Yale University Press, 1925); Michael M. Edwards, *The Growth of the British Cotton Trade, 1780-1815*, (Manchester: Manchester University Press, 1967).

⁵ Ellison, pp. 187-271.

⁶ Buck, pp. 175-177.

⁷ Edwards, pp. 75-125.

⁸ Waterhouse Ledger 1799-1802, MS25.54, *Liverpool University: Special Collections and Archives*.

⁹ Stanley Dumbell, 'The cotton market in 1799', *Economic History*, No. 1, January 1926, pp. 141-148; Francis E. Hyde, Bradbury B. Parkinson, and Sheila Marriner, 'The Cotton Broker and the Rise of the Liverpool Cotton Market', *Economic History Review*, Vol. 8, 1955, pp. 75-83.

some overlooked cotton brokers' papers.¹⁰ The majority of cotton business records, unfortunately, date well after 1815.¹¹

Without access to Liverpool merchant papers, scholars have relied upon the more complete records of British cotton manufacturers, who purchased cotton in Liverpool. Studies of the Ashworths, Arkwrights, Strutts, Kenyons, Gregs, and McConnel and Kennedy have been published in the past century.¹² In particular, the Strutt papers, held at the Derbyshire Record Office, and the McConnel and Kennedy papers, held at John Rylands Library in Manchester, detail the business correspondence with Liverpool cotton merchants and agents.¹³ Geoffrey W. Daniels, in a series of papers in 1915-1917, analysed the McConnel and Kennedy manuscripts as did Edwards in 1967, and Clive H. Lee in 1972.¹⁴ In a 1958 study, R. S. Fitton and A. P. Wadsworth published findings from the Strutts collection, including correspondence between the firm and its Liverpool brokers and agents in Portugal.¹⁵

A few contemporary accounts, 1774-1825, shed light into the organisation of Liverpool's raw cotton trade. Scholarly work like *An Essay Towards the History of Liverpool*, 1774 or more impressionistic accounts such as *The Liverpool Guide*, 1797, *Picture of Liverpool*, 1805, and *Stranger in Liverpool*, 1812, give cursory information about major Liverpool cotton merchants or the cotton trade.¹⁶ The most important was

¹⁰ Nigel Hall, 'The Emergence of the Liverpool Raw Cotton Market, 1800-1850', *Northern History*, Vol. 38, No.1, 2001, pp. 65-81; 'The Business Interests of Liverpool's Cotton Brokers, 1800-1914', *Northern History*, Vol. 61, No. 2, 2004, pp. 339-355.

¹¹ Two exceptions: M. and J. Pool Papers, 946, *Wiltshire Record Office*; Francis Reynolds Ledger, acc. 1216, *LRO*.

Rhodes Boyson, *The Ashworth Cotton Enterprise: The Rise and Fall of a Family Firm, 1818-1880*, (Oxford: Clarendon Press, 1970); R. S. Fitton, *The Arkwrights: Spinners of fortune*, (Manchester: Manchester University Press, 1989); R. S. Fitton, Alfred P. Wadsworth, *The Strutts and the Arkwrights, 1758-1830: A Study of The Early Factory System*, (Manchester: Manchester University Press, 1958); Peter O'Connell, *Greg's: the story of the Albert Mills*, (Congleton: Old Vicarage Publications, 1988); Augustus Muir, *Kenyon Tradition: the history of James Kenyon & Son, Ltd., 1664-1964*, (Cambridge: Heffer, 1964); Mary. B. Rose, *The Gregs of Quarry Bank Mill: The Rise and Decline of a Family Firm, 1750-1914*, (Cambridge: Cambridge University Press, 1986); C. H. Lee, *A Cotton Enterprise 1795-1840, a history of McConnel & Kennedy fine cotton spinners*, (Manchester: Manchester University Press, 1972).

¹³ McConnel & Kennedy Papers, GB 133 MCK, *University of Manchester: John Rylands University Library*; Strutt Family of Belper, D3772, *Derbyshire Record Office*.

¹⁴ Geoffrey W. Daniels, 'American Cotton Trade with Liverpool Under the Embargo and Non-Intercourse Acts', *American Historical Review*, Vol. 21, No. 2, 1916, pp. 276-287; 'The Cotton Trade at the Close of the Napoleonic War', *Transactions of the Manchester Statistical Society*, 1918, pp. 1-29; 'The Cotton Trade During the Revolutionary and Napoleonic Wars', *Transactions of the Manchester Statistical Society*, 1916, pp. 53-84; 'The Early Records of the Great Manchester Cotton-Spinning Firm', *Economic Journal*, Vol. 25, No. 98, 1915, pp. 175-188; Edwards, *The Growth of the British Cotton Trade, 1780-1815*; C. H. Lee, *A Cotton Enterprise 1795-1840, a history of M'Connel & Kennedy fine cotton spinners*, (Manchester: Manchester University Press, 1972).

¹⁵ Fitton and Wadsworth, pp. 261-294, 339-348.

¹⁶ William Enfield, *An Essay toward the history of Liverpool*, (London: Joseph Johnson, 1774); William Moss, *The Liverpool Guide*, 2nd ed., (Liverpool: Swarbreck, 1797); Anon., *The Picture of Liverpool or Stranger's Guide*, (Liverpool, 1805); Anon., *The Stranger in Liverpool; or, an Historical and Descriptive View of the Town of Liverpool and its Environs*, (Liverpool, 1812).

published by Henry Smithers in 1825. He briefly described the organisation of Liverpool's cotton trade in the late eighteenth and early nineteenth century and published annual Liverpool cotton imports, by region 1791-1823.¹⁷ Since Liverpool's overseas trade port books for 1727-1819 are lost, Smithers' figures provide the only summary statistics for Liverpool's cotton trade, albeit from 1791. The annual cotton imports by region, however, cannot tell historians how Liverpool cotton merchants organised their transatlantic business.

The most information about Liverpool's cotton trade 1770-1815 appears in Lancashire newspapers. Four Liverpool, one Manchester, and one Lancaster newspaper published during the period 1753-1815 survive today: *The Liverpool General Advertiser* (*Gore's Liverpool Advertiser* from 1788); *Liverpool Chronicle*; *Williamson's Liverpool Advertiser* (*Billinge's General Advertiser* from 1794); *Liverpool Mercury*; *Manchester Mercury* and *Harrop's General Advertiser* (henceforth *Manchester Mercury*); and *Lancaster Gazette*. These weekly or bi-weekly newspapers published Liverpool imports transcribed from the now lost Liverpool port books. Newspaper import lists recorded information of vessels and cargo entering Liverpool: the ship's name, the captain's name, the last port of entry, the type and amount of the commodity, and the consignee's name.¹⁸ No single newspaper published Liverpool imports for the entire period, but by collating import lists published in all six newspapers an almost complete run survives for the period 1770-1815.

The few studies that calculated Liverpool's eighteenth century cotton imports from Lancashire newspapers did not analyse weekly data. Wadsworth and Mann, from Liverpool imports published in the *Manchester Mercury*, calculated the amount of cotton imported into Liverpool for just two years, 1753-1754.¹⁹ Dumbell gathered information from *Williamson's Liverpool Advertiser* to calculate the number of cotton bags imported into Liverpool for a twenty-eight week period in 1769 and a full year in 1790.²⁰ Wadsworth and Fitton calculated Liverpool and Lancaster cotton imports from the *Manchester Mercury* for 1753-1755 and 1769-1779. The study published summary tables of the top Liverpool cotton importers and cotton imports broken down by region

¹⁷ Henry Smithers, *Liverpool, Its Commerce, Statistics, and Institutions: With a History of the Cotton Trade*, (Liverpool, 1825).

¹⁸ Cross-checking import lists from newspapers with overlapping dates reveals, in almost all cases, identical entries for vessels and their cargoes, thereby demonstrating reliable transcription accuracy between newspapers.

¹⁹ Wadsworth and Mann, p. 188.

²⁰ Stanley Dumbell, 'Early Liverpool Cotton Imports and the Organisation of the Cotton Market in the Eighteenth Century', *Economic Journal*, Vol. 33, No. 131, 1923, pp. 362-373.

of shipment.²¹ The authors, however, left the data largely in the appendices, and no historian has yet calculated Liverpool's cotton trade for the complete run of years from 1752 to 1815.

This thesis, by contrast, examines all Lancashire newspapers from 1752 to 1815, and entered all cotton import information recorded for the period into a multi-field database created by the author.²² Since newspapers only record the vessel's last port of call and often give abbreviated names of consignees, additional research from shipping records, street directories, and contemporary and scholarly studies of Liverpool have bolstered the database entries.²³ In all, the database documents 30,000 consignments of raw cotton that arrived on 11,000 voyages, amounting to more than 600 million lbs. At least 1,000 individuals and firms ordered these cotton consignments. This comprehensive database (hereafter referred to as LCD), provides a wealth of social and economic data to analyse the structure of the Liverpool cotton trade and its merchant community.

To buttress information gleaned from the LCD, this thesis examined numerous contemporary accounts, some underutilised and some not previously examined by historians. The Tarleton papers, held at the Liverpool Record Office, include Liverpool merchant Clayton Tarleton's business correspondence for 1780-1797 and the Liverpool firm Tarleton and Backhouse's accounts for 1786-1810. Though principally known as slave traders, the Tarletons also speculated in cotton, some shipped from their plantations in the British West Indies.²⁴ The Rathbone papers, stored at The Liverpool University Special Collections and Archives, provide detailed correspondence concerning a business trip in 1819 by Adam Hodgson, a partner of Rathbone, Hodgson and Company of Liverpool, to procure cotton and to establish new and re-establish previous contacts in the United States.²⁵ The Newton Papers, found at the London University Senate House Library, record cotton sale correspondence c. 1795-1815 between the Liverpool firm Barton, Irlam and Higginson and Thomas and John Lane of London, owners of Barbadian plantations.²⁶ This thesis also uncovered and examined business correspondence dating 1805-1817 from a private collection between the Frasers of Reeling, Scotland, owners of a cotton plantation in Berbice, and their

²¹ Fitton and Wadsworth, pp. 342-348.

²² Special thanks to Steve Behrendt and Carl Blackmun for help with database design.

²³ For a detailed methodological discussion of the database, see Appendix A, B, and C.

²⁴ Tarleton Papers, 920 TAR, *LRO*.

²⁵ Rathbone Papers, GB 141 RPXXXIII/3, *LUSCA*.

²⁶ Newton Papers, MS523, *London University: Senate House Library*.

Liverpool agent John Gladstone.²⁷ Whereas Fraser's material concerns the Guyana cotton frontier, papers from British Oporto wine merchants Offley and Company and Sandeman and Company, held at the London Metropolitan Archives and the Ferreira and Sandeman Archives in Vila Nova DeGaia, Portugal, provide information on how Liverpool merchants imported Brazilian cotton via Portuguese ports.²⁸

Chapter one presents an overview of Liverpool cotton imports in the period 1770-1815. The chapter traces the rise of Liverpool in the eighteenth century as the major British cotton port and examines the major factors that led to the expansion of trade. Additionally, the chapter addresses the shift in importance of major cultivating regions supplying raw cotton to Liverpool. By utilising information collected from Lancashire newspapers, the chapter estimates the volume of Liverpool's cotton trade in the period and pieces together the organisation of Liverpool's raw cotton shipping in the Atlantic basin.

Chapter two examines the organisation of Liverpool's cotton trade 1770-1815 with three major geo-political regions: West Indies and Guyana; Portugal and Brazil; and North America. Combining Lancashire newspapers, colonial newspapers and surviving business correspondence left by cotton merchants, the chapter discusses the role of Liverpool merchants in the Atlantic cotton trade, the means by which Liverpool merchants established networks to procure cotton during a period of high volatility, and addresses a re-organisation of the Atlantic trade by the early nineteenth century.

Chapter three examines the structural changes of Liverpool's business community involved in the port's cotton trade. As an immigrant's port, Liverpool attracted new merchants, dealers, brokers, and manufacturers, acting as sellers, agents, and buyers on the Liverpool cotton market. The chapter addresses the organisation of the Liverpool cotton market, specialisation of its community in cotton importing and brokerage, and examines changes in the cotton market prior to 1815.

Ultimately, this thesis addresses a long-standing gap of knowledge regarding the importance of Liverpool, its business community, and the expansion of the cotton trade in 1770-1815. Who were the major cotton merchants? How was trade organised, both in the Atlantic basin and in Liverpool? Did a few large Liverpool firms tighten their grip on the port's cotton market as the volume of trade increased? Alternatively, did

²⁷ Special thanks to Kathy and Malcolm Fraser for giving me access to the Fraser of Reelig Papers.

²⁸ London Metropolitan Archives hold a collection of the Sandeman, Sons & Co collection, CLC/B/196; Offley & Co and Sandeman & Co papers are held at the Ferreira Archives and Sandeman Archives, respectively, in Vila Nova De Gaia, Portugal. Special thanks to Norman R. Bennett and Paul Duguid for their help in identifying the location of the manuscripts. Also, special thanks to Carlos Jorge Martins Pinto Barreira, archivist, and the staff of Sogrape Vinhos for giving me access to these two archives.

Liverpool experience a period of competition that drove cotton prices down, and ultimately, created a cheap cotton supply that allowed British cotton manufacturers to expand operations in the nineteenth century?

Figure 1.1: West Indies and Guyana



Figure 1.2: Brazil



Figure 1.3: North America



CHAPTER ONE

LIVERPOOL COTTON IMPORTS, 1770-1815

Cotton grows best in tropical and semi-tropical conditions with semi-arid soil, made of a combination of silt, clay and sand. Sufficient sunshine, no frost and medium to light rainfall adds to the success of cultivation. In the Mediterranean, the eastern region of Levant and eastern Turkey provided the best location for cotton cultivation, where production and cultivation was evident well before 1770. In the Atlantic sphere, first the Caribbean islands, then north-eastern South America, and the south-eastern United States proved well-suited for cotton cultivation. Eastern Mediterranean cotton supplied largely French, Ottoman, and Central European cotton industries and remained a small supply source for Lancashire manufacturers until the development of mass cotton cultivation in Egypt in the nineteenth century. Other eighteenth century attempts by British merchants and manufacturers at cultivating cotton on a large scale in tropical regions like Sierra Leone, for example, failed, and cotton shipments in bulk from the Indian subcontinent proved too costly to ship back to Britain until the second quarter of the nineteenth century.¹

The expansion of the British cotton industry in the second half of the eighteenth century created a demand for the cotton fibre that could not be met by traditional sources from the Mediterranean and the British West Indies. To sustain the development, British cotton importers had to forge networks to purchase foreign West India cotton via the Caribbean ‘free ports’, Brazilian cotton via Portugal and then, after 1783, American cotton varieties from the newly-independent United States. As the cotton industry grew, increasing quantities of cotton entered Liverpool rather than London. By 1815, Liverpool was the undisputed British port for cotton imports and its merchants played the principal role in securing cotton to supply Lancashire cotton factories.

This chapter provides an overview of the cotton-growing regions that supplied the British cotton industry. It addresses the period prior to 1783 and the development of Liverpool as an Atlantic port, the state of British cotton manufacturing, the volume of the Liverpool cotton trade, and British attempts to enlarge their cotton supplies via ‘free

¹ Edwards, pp. 82-83.

ports' in the British West Indies. The period 1783-1800 witnessed the rise of Liverpool as the leading British port for cotton imports, the expansion and simultaneous concentration of cotton manufacturing in north-west England, and the shift of Liverpool's major supply of cotton from the French West Indies to Brazil. The final period of the transformation of the Liverpool cotton trade occurred in 1800-1815, when first Guyana and then the United States provided cotton to an export-driven expansion of British cotton manufacturing. The chapter highlights the success of Liverpool importers adjusting to shifts in cotton cultivation and dislocations of the port's supply of cotton during a period of extended Anglo-French and Anglo-American conflicts.

During much of the eighteenth century West Indian cotton grew in the French colonies of Guadeloupe, Martinique, and St. Domingue. Substantial cotton cultivation in Guadeloupe was evident from at least the early eighteenth century,² but by the third quarter of the century, St. Domingue—modern-day Haiti—was the biggest cotton producer in the Caribbean. According to one estimate for the year 1770, St. Domingue produced annually 3.8 million lbs. of cotton, more than any other French colony or all of the British West Indies.³ In the British sphere, planters cultivated cotton for export in Jamaica, Dominica, and Grenada, with smaller amounts grown in St. Kitts, Barbados, and St. Vincent. Cultivation also occurred in the Dutch Guyana colonies of Berbice, Demerara, Essequibo, and Surinam, and in Danish St. Croix. Overall, cotton remained a minor crop in the West Indies, never challenging the position of sugar and its by-products.

The first known reference to raw cotton shipped to Liverpool from the West Indies appeared in a letter written in 1703 by Liverpool merchant Robert Norris.⁴ It is difficult to estimate Merseyside's cotton trade in the early eighteenth century because Liverpool port books for overseas trade are missing from 1726 onwards, and coastal trade port books are lost from 1737 onwards. Small cotton shipments began to enter the port in the second half of the seventeenth century because of the port's merchant community role as interlopers in the West Indies and African trades. Liverpool's

² Don R. Hoy, *Agricultural Land Use of Guadeloupe*, (Washington: National Academy of Sciences, 1961), pp. 36-38.

³ Assuming that 1 cwt of cotton = 112 lbs., David Eltis, 'The slave economies of the Caribbean: Structure, performance, evolution and significance', in Franklin W. Knight (ed.) *General History of the Caribbean: Volume III The Slave societies of the Caribbean*, (London: UNESCO Publishing, 1997), p. 113.

⁴ Stanley Dumbell, 'The Beginnings of the Liverpool Cotton Trade', *Economic Journal*, Vol. 34, No. 134, 1924, p. 279.

volume of trade with the West Indies likely increased after the abolition of monopolistic rights of the Royal African Company in the African trade in 1698; the abolition of the company's monopoly privileges legitimised Liverpool's slave trade. The abolition was part of a gradual shift of British policy during the eighteenth century towards more free competition, stemming from pressure by British anti-monopoly lobbying groups and *laissez-faire* economic thought, propagated by prominent political and economic theorists like Adam Smith and Jean-Baptiste Say.

The other major eighteenth century British cotton supply source, from the eastern Mediterranean, remained in the hands of London merchants. Almost all of eastern Mediterranean cotton exports during the eighteenth century left the Ottoman empire from the port of Smyrna—modern day Izmir—situated on the Aegean Sea and the west coast of Anatolia. In the period 1785-1787, for instance, about 95 per cent of Turkish raw cotton exports originated from the port of Smyrna.⁵ For the first half of the eighteenth century, the London-based Levant Company held monopolistic privileges in British trade with the region, while the company's membership regulations excluded freeman merchants residing outside of London.⁶ Some Liverpool merchants managed to circumvent English trading restrictions by importing Levant cotton via Mediterranean ports, especially Leghorn, but the volume remained small, compared to shipments from the West Indies. In 1753, for example, three cotton shipments were recorded in the *Manchester Mercury* from Leghorn with an estimated weight of only 60,000 lbs., compared to 1.2 million lbs. entering Liverpool from the West Indies.⁷ Even after the abolition of the company's monopoly in the Levant trade in 1754, London-based merchants continued to dominate trade with the region. Merseyside's geographical position as an Atlantic port, its merchant community's lack of expertise in the Mediterranean, and additional competition from other European states and merchants likely deterred Liverpool merchants from entering the Levant trade in the eighteenth century.

The first good data of Liverpool's cotton imports survive for the period 1753-1754, collected from re-published Liverpool import lists printed in the *Manchester Mercury*. During the two years, an estimated 2.2 million lbs. entered Liverpool, almost

⁵ Orhan Kurmuş, 'The cotton famine and its effects on the Ottoman Empire', in Huri Islamoglu-Inan (ed.), *The Ottoman Empire and the World Economy*, (Cambridge: Cambridge University Press, 1987), p. 161.

⁶ Elena Frangakis-Syrett, 'Commercial Practises and Competition in the Levant: The British and the Dutch in Eighteenth-Century Izmir', in Alastair Hamilton, Alexander H. de Groot and Maurits H. van Den Boogert (eds.) *Friends and Rivals in the East: Studies in Anglo-Dutch Relations in the Levant from the Seventeenth to the Early Nineteenth Century*, (Leiden: Brill, 2000), pp. 137-138.

⁷ *MMHGA*, 17 April, 24 April, and 8 May 1753.

exclusively sourced from the West Indies.⁸ A typical shipment of West Indies cotton c. 1750 can be illustrated by the return voyage of the vessel *William and Nancy*. The vessel arrived in Liverpool from Barbados in October 1753, after the West Indies' autumn sugar harvest, with a shipment of "92 Hogsheads 6 Barrels 2 Tierces of Sugar, 39 Bags of Cotton, 8 Elephants Teeth, and 1 Hogshead of Rum".⁹ West Indian vessels frequently returned to Liverpool with a mixed cargo of tropical staple crops, of which cotton was usually a small portion of the entire cargo.

This trend of small and regular cotton shipments likely continued into the 1750s and 1760s, even though Lancashire newspapers no longer recorded the quantity of commodities imported into Liverpool for 1755-1767. The volume of cotton entering Liverpool likely dropped in the period 1754-1763 as a result of Anglo-French conflicts in the Seven Years' War. The annual average number of vessels entering Liverpool carrying cotton attests to this, dropping from 73 in 1753-1754 to 51 in 1755-1767.¹⁰ The resurgence of the *Manchester Mercury* publishing Liverpool imports in full from May 1768 onwards shows the volume of the trade regaining its pre-war levels, but not registering much increase. In 1769-1770, for example, Liverpool imported 2.5 million lbs. of cotton in total, an increase of only 300,000 lbs. from the 1753-1754 volume.¹¹

Small by late eighteenth century volume standards, Liverpool's West Indies cotton trade nevertheless provided a much-needed supply for a nascent cotton industry in North-West England. Lancashire and the surrounding region had a tradition of manufacturing textiles well before the eighteenth century: woollens in the area of eastern Yorkshire and northern Lancashire; linens surrounding Liverpool, Preston, and Warrington; fustians surrounding Blackburn and Bolton; silks in Cheshire; and smallwares near Manchester.¹² The introduction of raw cotton into woollen and linen, heavy and light garments facilitated the growth of the industry in Lancashire.¹³ The size of manufacturing operations remained small, yet some large complexes, by nineteenth century standards, were evident in the North-West by 1780.¹⁴ Innovation in cotton spinning, first with the introduction of James Hargreaves' jenny in 1764, followed by Richard Arkwright's water frame in 1769, Samuel Crompton's mule in 1779, as well as

⁸ LCD.

⁹ *MMHGA*, 30 October 1753.

¹⁰ LCD.

¹¹ LCD.

¹² Stobart, pp. 68-69.

¹³ Sarah Levitt, 'Clothing', in Mary B. Rose (ed.), *The Lancashire Cotton Industry: A History since 1700*, (Preston: Lancashire County Books, 1996), pp. 156-157.

¹⁴ For example, Richard Arkwright's established cotton mills in Birkacre (1777), Belper (1775), Milford (1775), and Keighley (1780), Wadsworth and Mann, p. 434.

breakthroughs in spinning preparatory machinery and improvements in finishing techniques further stimulated growth in the sector.¹⁵

Figure 1.4: Cotton cultivation on a French West Indies plantation c. 1762



Sources: The Atlantic Slave Trade and Slave Life in the Americas: A Visual Record, ref: culture_arsonnage, available from <http://hitchcock.itc.virginia.edu/Slavery>

Signs of gradual expansion of the British cotton industry in the 1770s were also evident in the increase of British cotton imports. National cotton imports from the West Indies grew from an annual average of 1.5 million lbs. in the 1740s to 1.7 million lbs. in 1750s, 2.7 and 3.4 million lbs. in the 1760s and 1770s, respectively.¹⁶ Yet Liverpool did not register the initial expansion of British West Indian cotton imports. During the period 1768-1774, Liverpool cotton imports from the West Indies remained roughly at

¹⁵ Whereas weaving was only mechanised in the second quarter of the nineteenth century, Geoffrey G. Timmins, 'Technological Change', in Mary B. Rose (ed.), *The Lancashire Cotton Industry: A History since 1700*, (Preston: Lancashire County Books, 1996), pp. 39-54.

¹⁶ Cotton shipped from the West Indies accounted for the majority of the increases in imports, calculated from tables given in Wadsworth and Mann, p. 521.

their 1750s volume, averaging 1.14 million lbs. annually.¹⁷ London remained, for the time being, a major port for importing cotton in Britain.

It is unclear whether the increase of British cotton importation was facilitated by an expansion of cotton cultivation in the older British colonies of Jamaica, Barbados, and St. Kitts. Surviving annual British cotton imports published by the Colonial Office during 1750-1815 did not systematically make distinctions between British and Foreign West Indies cotton shipped to Britain, or from which colonies the cotton was shipped from, making estimates of cotton cultivation very difficult. The three colonies likely remained major sugar producers in the West Indies. Instead, British acquisition of the French cotton-producing colonies Grenada, St. Vincent, Grenadines, Tobago, and Dominica by the 1763 Treaty of Paris increased the supply of British cotton from the West Indies. Grenada alone, only four years after the treaty, exported annually 0.6 million lbs. cotton, rising to 1.1 million lbs. in 1774, about a third of all British cotton imports that year.¹⁸ Demand was not met simply by British acquisition of new colonies or any expansion of British cotton cultivation alone, as cotton importers looked for other supplies to support the expanding industry.

The 1766 introduction of the 'free port' system in the West Indies enabled British merchants and manufacturers to legally acquire foreign-grown cotton at a lower cost than before. Smuggling of foreign cotton into the British West Indies was evident prior to the 1760s,¹⁹ but the 1766 act, as noted by Frances Armytage in his 1920 study of *The Free Port System in the British West Indies, 1766-1822*, allowed small foreign vessels from neighbouring foreign colonies to legally import and export specified goods, including cotton, in particular 'free ports' in the British West Indies.²⁰ The act was partly a response to a depression of trade in the West Indies and North America, evident in 1764 and 1765, and was initially unlikely to pass because of strong pressure from the West Indian planters and merchants, who were against the act because of fear of losing their monopoly on sugar in Britain.²¹ A compromise was reached a year later between British West India interest groups; British manufacturers, North American merchants, and those involved in the African trade, who saw the Spanish and French colonies as lucrative markets for British raw materials, goods, and slaves; and the

¹⁷ LCD.

¹⁸ Frances Armytage, *The Free Port System in the British West Indies: A Study in commercial policy, 1766-1822*, (London: Longmans, Green and Co, 1953), p. 154; Wadsworth and Mann, p. 521.

¹⁹ Dorothy B. Goebel, "'New England Trade' and the French West Indies, 1763-1774: A Study in Trade Policies', *William and Mary Quarterly*, Third Series, Vol. 20, No. 3, July 1963, p. 338.

²⁰ Armytage, p. 2.

²¹ Armytage, pp. 30-31, 41.

British Government who was generally against supplying Spanish and French colonies with any goods that would strengthen the two Atlantic rivals.²²

Subsequently, the British and French opened its Caribbean ports to foreign vessels. Britain established four free ports in Jamaica and two ports in Dominica in 1766, while the French opened ports to foreign vessels in Martinique and Guadeloupe in 1763 and in St. Lucia and the St. Domingue in 1767.²³ The free ports acted as collection centres of foreign cotton cultivated in the West Indies, chosen for their geographic vicinity to foreign Caribbean colonies: Jamaica's ports attracted vessels from a large radius, from the Spanish Main, Cuba, Porto Rico, and St. Domingue; Dominica attracted trade from French Martinique and Guadeloupe.²⁴ The arrangement likely proved lucrative for British cotton importers since, according to one estimate, British subjects could procure French-grown cotton 30 percent cheaper through West Indian 'free ports' than directly from France.²⁵

The volume of British cotton imports from the French West Indies increased quickly after the first free port act. Jamaican merchants imported 135,000 lbs. of cotton in 1767, rising to 271,000 lbs. in 1769 and 430,000 lbs. in 1770.²⁶ Dominica merchants that dealt in cotton, however, benefitted the most from the arrangement. Before 1770, Dominica remained undeveloped as a major Caribbean plantation colony in the third quarter of the eighteenth century; its value as a British colony derived instead from its strategic naval location between French Guadeloupe and Martinique. Without a large plantation economy, the colony imported, likely from French sources, almost all of its cotton exports to Great Britain. In 1767, for instance, Dominica imported 217,138 lbs. and exported 228,196 lbs. of cotton to Great Britain, suggesting only 10,000 lbs. of cotton were domestically produced on the island.²⁷ Three years later, Dominica's cotton imports and subsequent re-exports grew to just over 1 million lbs. each.²⁸ The free port system proved successful in procuring French cotton, and the British Parliament renewed and expanded the free port acts in 1772 and 1774.

The outbreak of the American War of Independence in 1775 restricted British procurement of foreign West Indian cotton. Though West Indian planters expanded

²² Armytage, pp. 29-30, 38, 40-41.

²³ Armytage, p. 55.

²⁴ Armytage, pp. 10-11.

²⁵ Arthur Redford and Brian W. Clapp, *Manchester Merchants and Foreign Trade, 1794-1858*, (Manchester: Manchester University Press, 1934), p. 3.

²⁶ Standardised assuming the average weight of a bag is 250 lbs. each, The Naval Office Shipping Lists for Jamaica, 1683-1818, *Public Record Office, London*, microfilm collection held at University of Canterbury Library.

²⁷ Armytage, p. 154.

²⁸ Armytage, p. 154.

cotton cultivation, Liverpool's cotton imports increased only by 1.7 million lbs. between 1769-1775 and 1776-1782.²⁹ The entry of France into the American conflict in 1778, followed by Spain in 1779, and the Dutch Republic in 1780, closed the supply of French, Spanish, and Dutch cotton to the British market. The inability of the British Admiralty to eradicate French and American privateers led to disruptions of British Caribbean shipping.³⁰ Worse still, French forces captured some of Britain's major cotton producing colonies: Dominica, Grenada, and St. Vincent in 1778-1779, and St. Kitts, Tobago, Nevis, and Montserrat in 1781-1782. The stagnation of cotton exports from the West Indies would have been even worse if the British manufacturers were not successful in petitioning the British government in 1780 to allow neutral vessels to ship cotton into Britain.³¹

Liverpool during the first three-quarters of the eighteenth century, then, expanded further into the Atlantic economy and its merchants established networks to procure cotton grown in the West Indies. Most of Liverpool's West Indian cotton was French grown, usually shipped via free ports in the British Caribbean colonies. But despite geographical proximity to the cotton textile industry centred in Lancashire, Liverpool remained behind London as a cotton port during the first three-quarters of the eighteenth century. The size of the Lancashire cotton industry, though growing, remained small by nineteenth century standards and the demand for cotton in Lancashire remained modest. The American Revolutionary War curtailed, for a time, any development in Liverpool's cotton trade.

The cessation of the Anglo-American hostilities in 1783 initiated a new era in Liverpool's Atlantic cotton trade. As demand for raw cotton increased, prices rose, which in turn stimulated cotton cultivation in the Atlantic basin. The re-introduction of the free port system in the mid-1780s expanded the British supply of raw cotton, but by 1790 cotton cultivated in the Caribbean proved insufficient to satisfy the demand of Lancashire manufacturers. Additionally, the Saint Domingue Slave Revolution in August 1791 and the re-introduction of Anglo-French warfare from February 1793 cut off the supply of French West Indian cotton. Yet British importers managed to secure a new cotton supply source from Brazil, while the growth of the British cotton industry in

²⁹ LCD.

³⁰ Patrick Crowhurst, *The Defence of British Trade 1689-1815*, (Folkestone: Dawson, 1977), p. 197.

³¹ Redford and Clapp, p. 4; Witt Bowden, 'English Manufacturers and the Commercial Treaty of 1786 with France', *American Historical Review*, Vol. 25, No. 1, Oct 1919, p. 26.

northwest England, war-time disruptions to London shipping routes, and Merseyside's investment into port and regional infrastructure enabled Liverpool to overtake London as Britain's premier cotton port.

British manufacturers enlarged the demand for raw cotton in Britain by adopting new spinning technology and labour organisation that increased the rate of cotton yarn and textile production. Manchester's long textile tradition and established organisation of trade played a part in the concentration of cotton manufacturing in north-west England.³² The number of cotton mills expanded dramatically in the north-west from 15-20 cotton mills operated in the Manchester area in 1780 to 650 mills operated in 1811, within a sixty mile radius of Bolton, Lancashire.³³ By 1800, an increasing number of cotton operations moved from cottage manufacturing and the putting-out system to factory manufacturing. A system of turnpikes, navigable rivers, and canals connected manufacturing complexes with sources of raw materials, pockets of labour, and the capital necessary for production. Application of horse, water, and later steam power to the spinning and finishing processes of cotton manufacturing, combined with further innovation and adoption of new spinning machinery cut costs and multiplied manufacturing output, creating an ever growing demand for raw cotton in Britain.

In turn, demand from British cotton manufacturers stimulated cotton cultivation in the Caribbean. High prices for cotton in Britain, low capital required to set up a cotton plantation compared to a sugar plantation, combined with government-sponsored initiatives stimulated West Indian planters to increase existing cotton cultivation, plant cotton in frontier lands—or, in some sandier soils—switch from sugar to cotton.³⁴ In the late 1780s and 1790s, British West Indies cotton cultivation expanded markedly in Grenada and the Bahamas. Unlike other British colonies with free trade ports, Grenada tended to export substantially more cotton than it imported, suggesting a major growth of cotton plantations on the island. For example in 1788-1789, Grenada imported 0.8 million lbs. and exported 5.3 million lbs. of cotton to Britain, which implies 4.5 million lbs. was grown on the island.³⁵ In the Bahamas, government land grants in 1785 incentivised the spread of the plantation system in the islands, leading to a rush of

³² For a description of a sophisticated textile industry evident in Lancashire by 1750, see for example, Jon Stobart, *The First Industrial Region: North-west England c.1700-60*, (Manchester: Manchester University Press, 2004). pp. 64-102.

³³ Edwards, p. 186.

³⁴ For examples of varied responses by British governors of British West Indies colonies see Lowell J. Ragatz, *The Fall of the Planter Class in the British Caribbean, 1763-1833*, (New York: Octagon Books, 1971), pp. 200-201; Edwards, p. 76; for an example of cotton cultivation compared to sugar and coffee cultivation on Guadeloupe see Hoy, pp. 36-41.

³⁵ Armytage, p. 154.

planters, claiming unoccupied lands, and establishing cotton plantations; the area planted in cotton increased in the Bahamas from 2,476 acres in 1785 to 8,000 acres in 1788.³⁶ Barbadian planters also expanded cotton cultivation in the 1780s,³⁷ but it was planters in Grenada and the Bahamas that strongly adhered to cultivating cotton in the British West Indies.

Expansion of cultivation combined with the re-introduction of the free port system tripled Liverpool's West Indian cotton imports in the decade after 1785. With renewed Anglo-French relations in 1783, the British Parliament re-instated the free port scheme, re-establishing importation of French cotton in the Caribbean. By 1787, the British government enlarged the scheme to include free ports in Grenada and the Bahamas in 1787, Antigua, Caicos, and Jamaica in 1793, followed by Tobago and Trinidad in 1796 and 1797, respectively.³⁸ In the French domain, an additional three ports in St. Domingue and four in the Windward Islands were opened to foreign vessels.³⁹ The flow of French cotton into British free ports was re-instated quickly. In 1788-1789, Jamaican merchants imported 4.2 million lbs. of cotton while Dominican merchants imported 1.59 million lbs. and Grenada merchants imported 0.8 million lbs., most of it likely French grown.⁴⁰ In turn, Liverpool West Indian cotton imports rose from 9.4 million lbs. in 1776-1782 to 27.6 million lbs. in 1786-1792.⁴¹

Liverpool importers also took full advantage of the renewed Anglo-French relations and imported cotton directly from north-western French ports of Bordeaux, Havre de Grace, Nantes, and L'Orient, amounting to 10.3 million lbs. in 1786-1792, or about 17 percent of Liverpool's total cotton imports during the seven year period.⁴² In the late 1780s and early 1790s, therefore, French-grown cotton was the most important West Indian cotton source for Liverpool importers and their Lancashire clients.

The free port system and direct cotton shipments from France continued to benefit Liverpool importers until August 1791, when the Saint Domingue Slave Revolution jeopardised Britain's major cotton supply source from the West Indies. With a slave population of 460,000 in the 1780s—half of the estimated total slave population in the Caribbean—St. Domingue remained the single biggest exporter of West Indian

³⁶ Howard Johnson, *The Bahamas from Slavery to Servitude, 1783-1933*, (Gainesville: University Press of Florida, 1997), pp. 11-12.

³⁷ Edwards, p. 79.

³⁸ Armytage, p. 141

³⁹ Armytage, p. 55.

⁴⁰ Armytage, p. 154.

⁴¹ LCD.

⁴² LCD.

cotton until the 1790s, with annual exports reaching 7.8 million lbs. by 1789.⁴³ Much of the colony's cotton entered the British West Indies via the free ports. Kingston merchants in particular imported cotton from St. Domingue. For example, Jamaican Naval Shipping Lists record vessels entering Kingston in 1769 carrying a total of 190,000 lbs., all from 'Hispaniola', likely French St. Domingue.⁴⁴ In 1785, Kingston merchants imported 1.5 million lbs. of cotton; 92 percent of which was shipped from St. Domingue, especially from the ports of Jacmel, Cape Francois, Cape Tiburon, St. Marc, Aux Cayes, and Port-au-Prince.⁴⁵ Slave uprisings across the island from 1791 to 1793, however, destroyed St. Domingue's export driven economy. The volume of cotton entering Kingston in 1796 dropped to 695,000 lbs., with only thirty six percent entering from St. Domingue, the rest shipped from the Caymen Islands, Porto Rico, St. Thomas, and Cartagena.⁴⁶ Cotton cultivation in St. Domingue never recovered after the slave uprising, and by 1820, annual exports of cotton from the Kingdom of Haiti fell to less than 3,000 lbs.⁴⁷

The growth of cotton cultivation in Portuguese Brazil alleviated the loss of St. Domingue's productivity as a cotton supplier to the British cotton industry. Under the leadership of Portuguese minister *Sebastião José de Carvalho e Melo* (commonly referred to as *Marquês de Pombal* or simply Pombal), during the second half of the eighteenth century, the government sponsored companies of Maranhão and Pará, and Pernambuco, diversified the agricultural economy of north-eastern Brazil by encouraging local planters to cultivate cotton and other tropical staples. Initially, cotton cultivation remained restricted to Brazil's north-eastern region of Maranhão, especially areas in the delta of the Marim and Itapicuru rivers, but it quickly expanded during the late eighteenth century along the Itapicuru River and as far as the interior town of Caxais.⁴⁸ The Brazilian cotton frontier also moved into Ceara and Pernambuco, as well

⁴³ Herbert S. Klein, *African Slavery in Latin America and the Caribbean*, (Oxford: Oxford University Press, 1986), p. 57; Frank M. Pons, *History of the Caribbean*, (Princeton: Markus Wiener Publishers, 2012), p. 172.

⁴⁴ Converted based on 760 bags of pockets, assuming the average weight is 250 lbs. each, calculated from The Naval Office Shipping Lists for Jamaica, 1683-1818, *Public Record Office, London*, microfilm collection held at University of Canterbury Library.

⁴⁵ Converted based on 6,220 bags of pockets, assuming the average weight is 250 lbs. each, calculated from The Naval Office Shipping Lists for Jamaica, 1683-1818, *Public Record Office, London*, microfilm collection held at University of Canterbury Library.

⁴⁶ Converted based on 2,780 bags of pockets, assuming the average weight is 250 lbs. each, calculated from The Naval Office Shipping Lists for Jamaica, 1683-1818, *Public Record Office, London*, microfilm collection held at University of Canterbury Library.

⁴⁷ Pons, p. 172.

⁴⁸ Leslie Bethell, *Colonial Brazil*, (Cambridge: Cambridge University Press, 1987), p. 318.

as southward into the drier interior of Bahia.⁴⁹ Maranhão remained the dominant cotton region in Brazil, but by 1800 planters in Pernambuco and Bahia grew a substantial volume of cotton. In 1804, for instance, Portugal received 7.3 million lbs. of cotton from Maranhão, compared to 5.3 million lbs. from Pernambuco, and 1.8 million lbs. from Bahia.⁵⁰

Under the protection of Pombal's policies and the growing cotton trade, Portuguese cotton manufacturing increased in the second half of the eighteenth century as cotton textile operations appeared in the interior of Portugal and along the coastal centres.⁵¹ Yet it remained a minor domestic textile sector in the late eighteenth century, re-exporting most of the Brazilian cotton to Britain and France. Leslie Bethell estimates that from a sample of the 173.4 million lbs. of cotton imported into Portugal over select years between 1776 and 1807, three-quarters were re-exported, with 55.5 percent shipped to England and 31.2 percent sent to France.⁵²

For Liverpool importers during 1785-1800, Brazil was the second most important cotton supply source. According to Baines, the first Brazilian cotton entered Britain in 1781, the same year that the *Liverpool General Advertiser* recorded six bags of cotton consigned to James Ansdell entering Liverpool on the *N. S. da Boa Nova* from Oporto.⁵³ Regular shipments of cotton from Portugal were reported in Liverpool newspapers from 1784 onwards and expanded quickly during the eighteenth century; Liverpool imported 3.2 million lbs. of Brazilian cotton in the 1780s and 39.7 million lbs. in the 1790s.⁵⁴ About 95 per cent of all cotton shipped to Liverpool via Portugal arrived from Lisbon because of the port's dominance in Luso-Brazilian trade and mercantilist Portuguese laws that disallowed direct shipping of colonial produce from Brazil to Britain. The opening of Lisbon as a free port in 1796 further encouraged Liverpool importers to ship a large volume of Brazilian cotton, accounting for 35 percent of Merseyside's total cotton imports in the 1790s.⁵⁵

⁴⁹ Caio Prado Junior, *The Colonial Background of Modern Brazil*, trans. Suzette Macedo (Berkeley: University of California Press, 1969), p. 174; Bert J. Barickman, *A Bahian Counterpoint: Sugar, Tobacco, Cassava, and Slavery in the Recôncavo, 1780-1860*, (Stanford: Stanford University Press, 1998), p. 24.

⁵⁰ Converted to pounds mass based on 1 arroba = 32 lbs., Bethell, pp. 318-320.

⁵¹ Kenneth Maxwell, *Conflicts and Conspiracies: Brazil and Portugal, 1750-1808*, (London: Routledge, 2004), p. 53.

⁵² Bethell, p. 322.

⁵³ Baines, p. 305; LCD.

⁵⁴ LCD.

⁵⁵ LCD.

Table 1.1: Liverpool cotton imports (in million lbs.) and by region, 1753-1815

Period	WI	GUY	PO/BRA	NAm	OT	Total
1753-1755	3.4	0	0	0.1	0.3	3.8
1768-1774	8.0	0	0	0.1	0.4	8.5
1775-1784	15.7	0	0.1	0.1	1.7	17.6
1785-1794	37.9	0	21	0.8	15.9	75.6
1795-1805*	57.6	24.3	47.7	90.7	3.8	224.1
1806-1815*	27.0	36.5	55.4	162.7	4.2	285.8
Total	149.6	60.8	124.2	254.5	26.3	615.4

Sources: Krichtal, Liverpool Cotton Database, 1752-1815

* Cotton imports for 1803 are missing and only partial entries for 1810-1811 survive
 WI – West Indies; GUY – Guyana; PO/BRA – Portugal/Brazil; NAm – North America;
 OT - Other

Brazilian cotton commonly arrived in Liverpool in large quantities, sometimes loaded with other Portuguese commodities such as fruit and wine. By West Indian standards in the 1790s, Liverpool importers received comparatively large shipments of cotton from Portugal because of the relatively small trade volume in other commodities between Merseyside and Portugal prior to the Brazilian cotton boom of the 1780s. For example, on 14 June 1791 the *Manchester Mercury* advertised the arrival of the *Lisbon Packet* into Liverpool from Lisbon “with 179 bags cotton for G. Marsden, 13 ditto M. Walton and co., 16 chests lemons and oranges 15c tanners waste Backhouse and Lowe, 82 bags cotton order.”⁵⁶ Merchants in the seventeenth century found shipping large volume of light commodities like cotton dangerous and cost-ineffective, but inefficiencies were overcome during the eighteenth century by tighter packing and better storing and loading techniques, sometimes using heavy commodities like metal as ballast.⁵⁷ The increased efficiency in shipping large volumes of cotton from Portugal in the late eighteenth century, therefore, proved valuable during a period of ongoing Anglo-French hostilities.

The resumption of Anglo-French conflicts in 1793 had less of an effect on Liverpool’s cotton supply than the War of American Independence. Liverpool’s cotton imports during the conflict grew from 61.2 million lbs. in 1786-1792 to 95.4 million lbs. in 1794-1800.⁵⁸ French navy and privateers dealt substantial damage to British shipping in 1793-1794, but unlike the American War, the British Admiralty was more prepared

⁵⁶ *MMHGA*, 14 June 1791.

⁵⁷ Ralph Davis, *The Rise of the English Shipping Industry in the 17th and 18th Centuries*, (Newton Abbot: David & Charles, 1962, 2nd edition, 1972), pp. 179-180.

⁵⁸ LCD.

to respond to the French threat.⁵⁹ British ships carrying cotton from Portugal, endowed with adequate naval protection, substituted for the loss of the French supply caused by the St. Domingue slave revolt and Anglo-French conflicts. Additionally, British forces quickly captured some major cotton cultivation regions in the Caribbean, boosting British cotton production. In 1793-1795 troops overtook the French islands Tobago, Martinique, and Trinidad, and briefly held St. Lucia and Guadeloupe.⁶⁰ French forces never caused as big a threat to British West Indian colonies and Caribbean shipping in the 1790s.

Liverpool's cotton supply sources were further enlarged after the French occupation of the Dutch Republic in 1795 gave the British an opportunity to secure Dutch Guyana, a major cotton supply source in the West Indies. Planters in Guyana expanded cotton cultivation from the early 1770s as British merchants found ways to smuggle large shipments of Dutch cotton in the 1780s. In 1787, for example, an estimated 2,000 bales of cotton arrived illegally into Britain from Essequibo and Demerara via the British Caribbean.⁶¹ British occupation of the Dutch colonies of Essequibo, Demerara, and Berbice from 1796 allowed Liverpool importers access to a cotton supply just as French supplies were cut-off and soil degradation—especially evident in Barbados and the Bahamas—and unsuitability of Jamaican soil for cotton cultivation decreased British West Indian cotton production.⁶² On 11 August 1795, the *Manchester Mercury* recorded the first direct shipment of Demerara cotton into Liverpool: 319 bags of cotton arrived on the ship *Birmingham*, consigned to Liverpool merchant John Dawson.⁶³ Two years later, Guyana cotton accounted for 6.6 percent of Liverpool's total cotton imports, becoming an important additional cotton supplier to the Liverpool market.⁶⁴

The extension of the conflict during the 1790s, in effect, accelerated the ascension of Liverpool as Britain's leading cotton port. During most of the eighteenth century, British cotton imports entered into Liverpool, Glasgow, Whitehaven, Lancaster, Hull, and Bristol, although London remained the leading cotton importer. Improvements to Liverpool's dock capacity, an expansion of its merchant community,

⁵⁹ Crowhurst, pp. 201-202.

⁶⁰ Crowhurst, p. 202.

⁶¹ Eric Willem van der Oest, 'Forgotten Colonies in Essequibo and Demerara, 1700-1814', in Johannes Postma and Victor Enthoven (eds.) *Riches from Atlantic Commerce: Dutch Transatlantic Trade and Shipping, 1585-1817*, (Leiden: Brill, 2003), pp. 357-360.

⁶² Ragatz, p. 123; Higman, *Slave Populations of the British Caribbean 1807-1834*, (Kingston: Press University of the West Indies, 1984), p. 43; Edwards, p. 79.

⁶³ LCD.

⁶⁴ LCD.

investment into Lancashire's turnpikes and canals, and the growth of Lancashire textile manufacturing all promoted Liverpool's rise as the principal British cotton port. After coming second in 1789, importing only 1,000 bales of cotton less than London, Liverpool took the lead a year later as the main British cotton port.⁶⁵ London's brief comeback in 1793-1794 may be attributed to initial shipping disruptions caused by the Anglo-French war, combined with the Liverpool financial crisis of 1793 that deterred some planters and merchants from sending cotton to the Liverpool market. Yet, French privateers operating in the English Channel and northern France made shipping routes to and from London dangerous. Unlike London, Liverpool vessels operating in the Atlantic avoided English Channel infested with French-privateers. Liverpool's geographical location gave its vessels an easy exit into the Atlantic Ocean, south-west or north-west of Ireland. By 1795, Liverpool regained its supremacy as the major British cotton port, and maintained that dominance well into the nineteenth century.

For Liverpool cotton importers, then, the period 1783-1800 was turbulent and punctuated by frequent uncertainties in cotton supplies. The loss of French cotton that followed the reintroduction of Anglo-French conflicts from 1793 was alleviated by new supply sources from Brazil and Guyana. Yet again, the combination of British, French, Dutch, and Portuguese cotton sources proved insufficient to satisfy the insatiable demand of British cotton manufacturers. By the late eighteenth century, planters in the United States also entered the Atlantic cotton trade, successfully competing with cotton planters in Brazil and the Caribbean.

By 1800, as cotton cultivation continued to spread in the Atlantic basin, Liverpool developed a sophisticated cotton market. A Lancashire dealer wanting to purchase cotton on the Liverpool market could, by the early nineteenth century, choose from thousands of bales entering Liverpool's docks each week, and from at least fifteen varieties of cotton, ranging in quality and price. Increasingly, a group of specialised brokers with expertise and knowledge in the raw cotton trade acted as middlemen on the Liverpool cotton market connecting buyers and sellers in speedy transactions.

What eluded Liverpool importers and buyers, however, was a large and stable supply of cotton that could satisfy demand of the ever-expanding, export-driven manufacturing sector. The need was met by the expansion of cotton cultivation in the

⁶⁵ Ellison, pp. 170-171.

southern United States, yet, Napoleonic conflicts and growing Anglo-American grievances created difficulties in securing this new and more permanent cotton supply source. The shortage of cotton, because of the volatile trading conditions in 1808-1814, was overcome momentarily by increased volume from older supplies found in Brazil and Guyana, as the Liverpool cotton trade entered its final stage of development in 1800-1815.

In the early nineteenth century, the British cotton industry became increasingly export orientated. An estimated British gross value of manufactured cottons rose from about £3 million in 1781-1783 to £10 million in 1795-1797 and £30 million in 1815-1817.⁶⁶ Cotton manufacturing grew by the late eighteenth century to a point when domestic consumption was insufficient to keep the industry expanding, as British cotton manufacturers increasingly looked for markets overseas. The share of the export market in the British cotton industry was enlarged dramatically in the late eighteenth and early nineteenth century as the percentage of exports of the total cotton output increased from 20 percent in 1781-1783 to 35 percent in 1795-1797 and 58 percent by 1815-1817.⁶⁷ The biggest markets for British textiles were found in Europe, followed by North America, and the West Indies.⁶⁸ Eighteenth century changes in European fashion and the intrinsic value of cottons over more traditional British textiles of linens and woollens helped to expand British exports of manufactured cottons.⁶⁹ By 1804-1806, cottons exports decisively overtook linens and woollens, and amounted to £13,968,000, compared to £6,800,000 for woollens and £756,000 for linens.⁷⁰ To a great extent, British cottons undercut their competitors in Europe and in the Atlantic basin on price and/or quality.

During the manufacturing expansion, Liverpool retained the position as the leading British cotton port by capturing a large share of the Portuguese, and especially the American raw cotton markets. Traditionally, London merchants dominated the Portuguese and Levant markets, as well as cotton supplied from the Indian subcontinent, but by the early nineteenth century, Liverpool importers had acquired a greater share of the Portuguese cotton market. In 1802-1806, for example, Merseyside took an average of 69 percent of the total Portuguese cotton imported into the three

⁶⁶ Joseph E. Inikori, *Africans and the Industrial Revolution in England*, (Cambridge: Cambridge University Press, 2002), p. 436.

⁶⁷ Inikori, *Africans and Industrial Revolution in England*, p. 436.

⁶⁸ Edwards, p. 243.

⁶⁹ Beverley Lemire, *Fashion's Favourite: The Cotton Trade and Consumer in Britain*, (Oxford: Oxford University Press, 1991); Levitt, pp. 154-186.

⁷⁰ Ralph Davis, *The Industrial Revolution and British Overseas Trade*, (Leicester: Leicester University Press, 1979), p. 96.

ports of Liverpool, Glasgow and London. By contrast, Liverpool's 1802-1806 shares of West Indies and Guyana cotton imports remained small compared to London and Glasgow. Liverpool's success as the principal British cotton port in the nineteenth century lay in the acquisition of the North American cotton market. During the same five years, Liverpool acquired 72 percent of cotton imports from the United States, with the remaining 28 percent being shipped to London and Glasgow (Table 1.2).

Table 1.2: Total bags of cotton imported into London, Glasgow and Liverpool from each region, and Liverpool's share (in percent) of cotton imported, 1802-1806.

Region	1802	1803	1804	1805	1806	1802-6	1802-6 (%) Liverpool
America	107,494	106,831	104,103	123,261	123,182	564,871	72
Portugal	74,720	76,297	48,588	51,272	50,975	301,852	69
Guyana*	23,919	5,611	53,494	38,459	36,290	157,773	47
West Indies	51,215	34,407	27,916	33,595	38,596	125,729	46
Other parts	24,035	15,752	8,509	6,033	11,305	65,632	11
Total	281,383	238,898	242,610	252,620	260,246	1,275,857	61

Source: *Morning Chronicle*, 14 Jan 1808.

* Includes Berbice, Demerara, Essequibo, and Surinam

British planters cultivated cotton for domestic consumption in Georgia and South Carolina from at least the early eighteenth century. British colonial governments' attempts to enlarge the production of the crop failed until demand for the commodity grew in the late eighteenth century.⁷¹ Like West Indian planters during the 1780s, relatively high prices for cotton on the British market in the 1790s and early 1800s, combined with hurricanes and insect attacks that damaged traditional southern staple crops like rice, indigo, and tobacco stimulated some planters in the United States to switch to cotton cultivation.⁷² Many were also new plantations in the interior South, established for the purpose of cultivating cotton from the beginning. The flow of British planters from the Bahamas after the American Revolution and French planters from St. Domingue during the Haiti revolt, to Charleston, Savannah, and New Orleans further bolstered the expertise of cotton cultivation in the United States.⁷³

⁷¹ Joyce E. Chaplin, 'Creating a Cotton South in Georgia and South Carolina, 1760-1815', *Journal of Southern History*, Vol. 57, No. 2, May 1991, pp. 176-177.

⁷² John G. Clark, *New Orleans 1718-1812: An Economic History*, (Baton Rouge: Louisiana State University Press, 1970), pp. 219-220; Lewis C. Gray, *History of Agriculture in Southern United States to 1860*, Vol. II, (Washington: Carnegie Institution of Washington, 1933), p. 679.

⁷³ For Bahamas see Johnson, p. 28; for Haiti see, Walter J. jr. Fraser, *Charleston! Charleston! The History of a Southern City*, (Columbia: South Carolina Press, 1989), p. 182.

The American cotton frontier rapidly spread across the southern United States, especially in South Carolina, Georgia, and Louisiana. Initially, Georgia and South Carolina planters grew only the fine long staple cotton variety, called ‘Sea Island’, on small strips of adjacent coastal mainland and islands. Initial campaigning for expansion of cotton cultivation in the south from the late 1780s has been attributed in the past to energetic individuals like the Tench Coxe of Philadelphia and Stockport cotton manufacturer John Milne, while some of the first gains in cotton cultivating techniques have been attributed to Joseph Clay, Peter Gallard, and the infamous Thomas Spaulding of Sapelo.⁷⁴

Gains in cultivation techniques were met, from 1793, with the application of Eli Whitney’s invention of a cotton gin. Cotton had to be picked, cleaned, and packed quickly during the autumn months in anticipation of bad weather and arrival of vessels from Liverpool. The cotton gin dramatically increased slave productivity by substantially cutting costs and the time needed to prepare raw cotton for shipment after the harvest.⁷⁵ The gin separated the lint and the seed, allowing each slave to gin about fifty pounds of cotton per day, a substantial improvement over previous and more manual techniques of cleaning cotton.⁷⁶ Soon after introduction, new improvements were added and several other designs were introduced by Whitney and his competitors.⁷⁷ Simultaneously, breakthroughs in British cotton spinning increased demand for the lower quality, short-staple ‘Upland cotton’ variety, which was not economical to grow before the ginning technology. In turn, demand from manufacturers and new ginning technology increased the short-staple variety cultivation in the interior states of South Carolina, Georgia, and Louisiana in the early nineteenth century.

Unlike technological innovation in cotton cultivation and manufacturing, no such major breakthroughs occurred in cotton shipping prior to 1815. Packing machinery, borrowed from the tobacco industry, and altered for tighter cotton bailing used in Charleston, Savannah, and New Orleans harbours from the early nineteenth century reduced shipping costs somewhat. Additionally, as noted by David M. Williams, increased regularity in cotton shipping patterns was evident between

⁷⁴ Edwards, pp. 86-87, 90-91.

⁷⁵ It seems the United States adopted the cotton gin with greater effect than planters in the West Indies and Brazil. In 1788, the cotton gin was first introduced by Joseph Eve in the Bahamas, and by 1795, an estimated 200 cotton gins were used in the archipelago, Johnson, p. 26. The use of the cotton gin was also evident in Barbados in the 1780s, Edwards, pp. 79-80. Even though cotton gins in Barbados and Bahamas increased productivity, the two colonies were too small to make a real difference in the supply of cotton to Britain. The use of cotton gin was not common in South America until well into the nineteenth century, Fitton and Wadsworth, p. 269.

⁷⁶ Gray, pp. 680-681.

⁷⁷ Gray, pp. 680-681.

Liverpool and the United States by 1830.⁷⁸ Yet, shipping regularity likely decreased freight costs a little in the early nineteenth century. It was only with the introduction of purpose built-vessels and the use of steam power by the mid-nineteenth century that cotton shipping costs dramatically declined.⁷⁹

It is not known when Liverpool first imported North American cotton. In a frequently cited example, in 1784, the Liverpool Custom Office seized eight bags of cotton from an American vessel consigned to merchant William Rathbone IV, but one early nineteenth century Liverpoolian noted that the port received cotton from the United States as early as 1770.⁸⁰ The *Manchester Mercury* recorded small shipments of cotton from Virginia, Philadelphia and South Carolina as early as 1753.⁸¹ Although most of the cotton originated in the West Indies, some shipments prior to 1770 were likely American-grown.

Cotton cultivation developed in the United States so rapidly after 1793 that in just over a decade the southern varieties became the primary supply of cotton for the Liverpool market. Merseyside's cotton imports from the United States grew from 0.6 million lbs. in 1795, to 29.4 million lbs. in 1805, and 43.3 million lbs. in 1815.⁸² Already in 1805, the United States had become the major cotton supply region in Liverpool, accounting for two-thirds of the cotton volume imported that year.⁸³ The port's importers received most of the American cotton shipped directly from Savannah, Charleston, and after the Louisiana Purchase of 1803, from New Orleans. About a third of all cotton produced in the United States was also shipped to Liverpool via Boston, Philadelphia, and New York.⁸⁴ By 1806, economic gains from the cotton trade between Britain and the United States were being jeopardised as tensions rose over America's neutral stance towards the Anglo-French conflict.

In Portugal, Napoleon's invasion of the country in 1807 briefly dislodged Liverpool's cotton supplies from Brazil. In an attempt to establish a continental blockade to starve Britain of export markets for its manufactured goods, Napoleon's armies invaded Portugal in 1807, causing the Portuguese court and a large part of the nation's merchant community to flee Lisbon to Salvador, Brazil in late November.

⁷⁸ David M. Williams, 'The Shipping of the North Atlantic Cotton Trade in the Mid-Nineteenth Century', *Research in Maritime History*, No. 18, 2000, pp. 53-80.

⁷⁹ Williams, 'Shipping of the North Atlantic Cotton Trade', pp. 53-80; Graeme J. Milne, *Trade and traders in mid-Victorian Liverpool*, (Liverpool: Liverpool University Press, 2000), pp. 22-45.

⁸⁰ Richard Brooke, *Liverpool as it was During the Last Quarter of the Eighteenth Century 1775-1800*, (Liverpool: J. Mawdsley and Son, 1853), pp. 243-244.

⁸¹ LCD.

⁸² LCD.

⁸³ LCD.

⁸⁴ LCD.

Interruption in Liverpool's trade occurred immediately as cotton imports from Portugal fell from 4 million lbs. in 1806 to 0.3 million lbs. in 1808.⁸⁵ In 1809, cotton shipments from Portugal to Liverpool increased briefly to 1.2 million lbs., but the trade between Liverpool and Portugal never recovered its pre-invasion volume.⁸⁶ Instead, Liverpool importers began receiving large shipments of Brazilian cotton directly from the three Brazilian cotton producing regions of Maranhão, Pernambuco, and Bahia. On 28 January 1808, the exiled Portuguese government issued a decree that opened ports in Brazil to friendly nations. In March 1808, however, the Portuguese government altered the navigational laws to exclude foreign shipping from inter-coastal trade and restrict foreign shipping to the five chief ports of Belem, São Luis, Recife, Salvador and Rio de Janeiro.⁸⁷ Nevertheless, the opening of Brazil rebounded Liverpool's Brazilian cotton supply as imports rose to 5.7 million lbs. in 1809.⁸⁸

The Napoleonic conflicts also caused disruptions to British supplies of cotton from the United States, worsening Anglo-American relations in 1807. British restrictive policies in the early nineteenth century to impede trade between France and the conflict-neutral United States resulted in the American Embargo Act on 22 December 1807, which closed United States ports to foreign commerce. The Non-Intercourse Act soon followed on 4 March 1808, which prohibited American trade with Britain, its dependencies, and colonies. The initial acts hurt Liverpool's cotton trade, as cotton imports from United States plunged from 24.6 million lbs. in 1807 to 5.8 million lbs. in 1808.⁸⁹ The expectations of ratifying the peace treaty fell short a year later as Anglo-American relations worsened in the early 1810s.⁹⁰

Liverpool imports remained high in 1809-1811 despite Anglo-American tension. In fact, cotton from the United States continued to flow into Liverpool despite the non-Importation Act of 1811 and the re-imposition of an embargo in 1812. Although surviving Lancashire newspapers do not publish amounts of cotton entering Liverpool from the United States for the period October 1810-July 1811, Smithers' statistics suggest continued Liverpool-United States trade. An estimated 60 million lbs. of cotton entered Liverpool from the United States in 1810, Liverpool's biggest annual supply of cotton from the United States before 1815.⁹¹ Liverpool imports of American cotton

⁸⁵ LCD.

⁸⁶ LCD.

⁸⁷ James Lang, *Portuguese Brazil: The King's Plantation*, (New York: Academic Press, 1979), p. 195.

⁸⁸ LCD.

⁸⁹ LCD.

⁹⁰ Daniels, 'American Cotton Trade with Liverpool', p. 280.

⁹¹ Converted based on 1 bag = 300 lbs., calculated from Smithers, p. 146.

dropped to 29.3 million lbs. in 1811 and 23.9 million lbs. in 1812, likely because of speculative oversupply in 1810, but on the whole, the Embargo and Non-intercourse Act did not have a severe effect on Liverpool's supply of cotton from the United States.⁹² Only when war was officially declared between the United States and Britain, in 1812, did Liverpool's American cotton imports dwindle to only 5.6 million lbs. of cotton in 1813.⁹³ Liverpool importers found ways to import at least 12.1 million lbs. of cotton in 1814, much of it smuggled via Amelia Island, Florida, but cotton imports from the United States in 1813-1814 remained low compared to pre-war volume.⁹⁴

Liverpool importers alleviated the shortage of cotton imports caused by the Anglo-American hostilities by procuring more cotton from Guyana, the West Indies and Brazil. On top of any American cotton smuggled via Amelia Island and Charleston, more than 14.7 million lbs. of Brazilian cotton was imported into Liverpool in 1813 and 17.2 million lbs. in 1814.⁹⁵ Another 7 million lbs. in 1813 and 8.6 million lbs. in 1814 entered Merseyside docks from the West Indies and Guyana.⁹⁶ Liverpool importers successfully alleviated the wartime shock to the cotton supply that in 1813-1814, Liverpool cotton imports were about three-quarters of the volume of imports prior to the Anglo-American hostilities in 1805-1806.⁹⁷

Cotton grown outside of the United States was only a short term solution to the supply crisis. Planters in the West Indies and Guyana found it increasingly difficult to compete on the Liverpool market with their American counterparts for a number of reasons. The spread in cultivation of American 'Sea Island' and 'Upland' cotton varieties in turn pushed down prices for West Indian varieties, making cotton cultivation less profitable in the Caribbean islands. Soil deterioration in the older British Caribbean colonies evident by 1800 also reduced the profitability of growing cotton. Furthermore, British West India planters found it difficult to obtain slaves for plantation labour after the British abolition of the slave trade in 1807. Combined with unfavourable market conditions, some cotton planters switched back to cultivating sugar or expanded to cultivating coffee and cocoa. As a result, cotton cultivation collapsed in the West Indies

⁹² Smithers, p. 146.; Daniels, 'American Cotton Trade with Liverpool', p. 278.

⁹³ Smithers, p. 146.

⁹⁴ Smithers, p. 146; LCD.

⁹⁵ Converted from 88,113 "packages", assuming each is 167 lbs. in Smithers, p. 147, See Appendix B for cotton cargo conversions.

⁹⁶ Smithers, p. 146.

⁹⁷ Based on Smithers' tables of 'packages', p. 147; for conversion of cotton cargo units of see Appendix B.

by the end of the first quarter of the nineteenth century, and in the British Guyana in the second quarter of the century.⁹⁸

Brazilian cotton faced the same competition on the Liverpool market, but unlike Guyana and West Indian cotton, a lucrative market for a short period was found in France and Portugal. Brazilian plantation output, not affected by soil deterioration evident in the Lesser Antilles and having a legal slave trade, developed cotton cultivation in the early nineteenth century. Instead of competing with cotton from the United States on the British market, Brazilian cotton planters increasingly found a market in France. French imports of Brazilian cotton grew from less than 50,000 lbs. in 1800 to 6.1 million lbs. by 1802, about the same time American cotton began flooding Liverpool's market.⁹⁹ French imports of Brazilian cotton from Portugal outstripped British imports a few years later when France imported 11.1 million lbs. in 1806, compared to 6.2 million lbs. imported by Britain.¹⁰⁰ The invasion of Portugal by French troops in 1807 temporarily restricted French imports of cotton but by 1815, for example, the northern region of Maranhão exported 22,216 of 50,755 bags of cotton to non-British ports, likely to France and Portugal.¹⁰¹ The decrease of Brazilian cotton production in the face of competition from the United States during the nineteenth century remains to be analysed in detail.

The year 1815 signalled the beginning of a new era in the Liverpool cotton trade. Anglo-American and Anglo-French relations were re-instated by mid-1815 after Napoleon's defeat at Waterloo. Liverpool importers, in anticipation of the peace agreements, made arrangements to ship cotton from the United States with 80 million lbs. imported that year.¹⁰² West Indian, Guyana, and Brazilian cotton accounted for about 40 percent of the total imports, but the majority of the cotton imported into Liverpool was American grown. By 1815, Liverpool was the undisputed British cotton port, and the Liverpool market was once again dominated by 'Sea Island' and 'Upland' varieties of American cotton. The search for a stable and large supply of raw cotton was finally found in the cotton plantations of the southern United States, as British merchants began re-exporting excess raw cotton, about eleven percent of the total cotton

⁹⁸ Higman, pp. 59-63.

⁹⁹ Calculations based on conversion that 1 arroba = 32 lbs, statistics in arroba is found in Maxwell, p. 59.

¹⁰⁰ Maxwell, p. 59.

¹⁰¹ Henry Koster, *Travels in Brazil*, (London: Longman, Hurst, Rees, Orme, and Brown, 1816), pp. 170-171.

¹⁰² Smithers, p. 147; See Appendix B for cotton cargo conversions.

imported into Britain by value in 1814-1816.¹⁰³ Liverpool cotton merchants and Lancashire cotton manufacturers could now look forward to the future with confidence.

The Liverpool cotton market, then, experienced major shifts in its cotton supply in 1770-1815. The expansion of British cotton importation was facilitated in part by gradual eighteenth century shift towards more open-competition in maritime trade, *laissez-faire* economics, and a re-assessment of mercantile policies towards foreign trade and acquisition of raw materials, such as cotton, that could not be supplied from within the Empire. Liverpool importers successfully imported ever greater amounts of cotton, utilising a number of supply connections, during a period of high instability and warfare in Europe and the Atlantic basin. From 1770, but especially after the American Revolutionary War, the port's merchant community found itself increasingly involved in the importation of raw cotton. How the Liverpool-Atlantic cotton trade was organised and the role of Liverpool merchants in the trade will be explored further in the next chapter.

¹⁰³ This is compared to less than 5 percent re-exported in each three year period 1784-1786, 1794-1796, and 1804-1806, calculated from Davis, *The Industrial Revolution*, pp. 102-105, 111-117.

CHAPTER TWO

LIVERPOOL MERCHANTS, NETWORKS, AND THE ATLANTIC COTTON TRADE, 1770-1815.

By the early nineteenth century, the British cotton industry received most of its cotton supply via Liverpool, from merchants and planters operating in the Atlantic basin. Cultivation was almost exclusively organised in a plantation system with an African slave labour force. During harvest time, slaves picked and prepared raw cotton for shipment to a local distribution centre, another Atlantic port, or directly to Liverpool. Cotton could pass through several middlemen merchants stationed in different ports before its arrival in Merseyside. Merchants acted as agents for planters or purchased cotton outright. Once in Liverpool, merchants organised sales of cotton by dealing directly with the purchaser or by hiring the services of a Liverpool broker, who then acted as an agent, connecting sellers and buyers on the Liverpool cotton market.

Merseyside firms that imported cotton managed, decade after decade in 1770-1815, to ship increasingly large volumes of cotton needed to supply the growing Lancashire industry. Yet the shifting supply of cotton cultivation in the Atlantic, combined with political and economic developments in Europe and in the greater Atlantic, did not make securing supplies an easy task. Chapter two examines the organisation of Liverpool's Trans-Atlantic cotton trade during 1770-1815 and the networks Liverpool merchants employed in securing cotton supplies from the West Indies, Guyana, Portugal, Brazil, and the United States. Because of the complexity of the period and the formation of the trade, for simplicity's sake, this thesis organises the trade into three geo-political regions: the West Indies and British Guyana; Portugal and Brazil; and North America. The analysis of the organisation of the cotton trade by region, thereby, highlights a number of Liverpool cotton merchants and middlemen.

Liverpool merchants were well positioned to ship cotton from the West Indies because they had built Caribbean networks via their slaving interests, 1700-1750. The port's Atlantic location combined with the booming slave-produced Caribbean sugar economy made trade with the West Indies a favourable investment opportunity for Liverpool's

merchant community. Liverpool traders increasingly entered the triangular African trade after the London-based Royal African Company lost its trade monopoly in 1698. By 1750, Merseyside outcompeted London and Bristol as the major port for organising slave trade ventures in Britain, sending out 217 slaving ships in 1741-1750, 43 percent of all British vessels operating in the slave trade.¹ To successfully operate in the Trans-Atlantic slave trade, the port's business community established extensive contacts across the West Indies to sell African slaves there and organise shipments of sugar, cotton, and other tropical staples on the homeward bound journeys. For example, instructions written and dated 22 May 1751 by the owners of the slaving vessel *Chesterfield* to Captain William Earle, regarding the purchase of African slaves and ivory and the disposal and sale of slaves in the West Indies, allude to the vast network maintained by Liverpool slavers in the Caribbean:²

...proceed to Barbados and apply to Mr Sam Carter Mercht there who will advise you the state of prices for slaves at the other islands from which you will Judge whether to proceed further or stop there. If you go to Antigua apply to Messrs George and Ralph Walker and Mr Andrew Lesley. If to St. Kitts Messrs Guichard and Scarret, Messrs Payne and Leigh any of which will make the most in slaves give the Earliest dispatch and the Best Bills and time... If none of our islands offer to Incourage you calling Proceed directly from Barbados to St. Eustatia and ... if not proceed to Jamaica, there apply to Messrs Hibbert Woodcock and Sprigg and Mr Peter Furnall either of which will take you on the Best Terms and load your ship with the islands produce provided the Prices are not so Extravagant as heretofore.

Evident from the 1770s, a group of Liverpool slave traders carried out a large share of the port's cotton trade in the West Indies. Seven of the top fifteen Liverpool West Indies cotton importers in 1768-1815 were big slave traders, with at least one of the firm's partners investing in twenty or more voyages during their careers. For example, one of the biggest Liverpool cotton importers, Tarleton & Backhouse, imported 8.1 million lbs. of cotton from the West Indies; the firm comprised of brothers John, Thomas, and Clayton Tarleton, all three major Liverpool slaving merchants in the late eighteenth century. Of the three brothers, John invested the most in 1750-1799, owning shares in 90 slaving voyages, followed by Thomas with 79 voyages, and

¹ Kenneth Morgan, 'Liverpool's Dominance in the British Slave Trade, 1740-1807', in David Richardson, Suzanne Schwarz, and Anthony Tibbles (eds.), *Liverpool and Transatlantic Slavery*, (Liverpool: Liverpool University Press, 2007), p. 14.

² Owners of the *Chesterfield* to William Earle, 22 May 1751, Earle Papers, D/EARLE/1/1, *Merseyside Maritime Museum*.

Clayton with 64 voyages.³ Operating in an extensive network with West Indies houses, slaving traders like the Tarletons filled their returning slaving vessels with West India cotton and other plantation produce (Table 2.1).

Table 2.1: Top fifteen Liverpool cotton importers from the West Indies, 1768-1815.

Consignee	Amount lbs.	Main Cotton Supply Area	Partner a Major Slave Trader?
Barton, Irlam & Higginson	16,540,020	BAR	N
Rawlinson, Chorley & Grierson	8,200,540	LA & JAM	N
Tarleton & Backhouse	8,066,910	GRE & LA	Y
James Kenyon	5,277,880	BAR	N
James & Thomas Moss	4,671,960	BAH	Y
France, Poole & Fletcher	3,743,140	JAM	N
Hardy, Garnett & Co	2,589,370	JAM	N
John Bolton & Co	2,455,860	ST. V & LA	Y
James and William Swan & Co	2,734,880	BAR	N
Falkner & Mawdsley	2,413,360	TOR & BER	Y
Thomas Hinde & Son	2,411,460	JAM	Y
Slater & Robinson	2,343,740	ST. V	Y
Charles Fairclough & Co	1,689,710	JAM	N
Harper & Brade	1,351,820	LA	Y
John Coupland & Co	1,132,360	DOM	N

Sources: Krichtal, Liverpool Cotton Database, 1752-1815; *Gore's Liverpool Directory*, 1790, 1803, 1813; Trans-Atlantic Slave Trade Database, www.slavevoyages.org.

Major Slave Trader – twenty or more voyages; Main Cotton Supply Region – at least thirty percent of all West Indies cotton from a particular colony; BAH – Bahamas; BAR – Barbados; BER – Bermuda; DOM – Dominica; JAM – Jamaica; LA – Lesser Antilles; ST. V – St. Vincent; TOR – Tortola; TRI – Trinidad

General West Indies merchants in Liverpool, who were not major slavers, also conducted a substantial portion of the port's West Indies cotton trade. The expansion of sugar cultivation in the West Indies combined with larger slave and white populations residing in the West Indies by the second half of the eighteenth century allowed for a bilateral trade between Liverpool and the West Indies to develop. Although no study of Liverpool's West Indian trade and shipping patterns has been undertaken, Kenneth Morgan's study of eighteenth century Bristol suggests that the port's West Indies

³ David Pope, 'The Wealth and Social Aspirations of Liverpool's Slave Merchants of the Second Half of the Eighteenth Century', in David Richardson, Suzanne Schwarz and Anthony Tibbles (eds.), *Liverpool and Transatlantic Slavery*, (Liverpool: Liverpool University Press, 2007), p.205.

shipping patterns, especially with Jamaica and Barbados, operated on bilateral routes rather than multilateral patterns by the mid-eighteenth century.⁴

In the case of Liverpool, a similar development was evident by the late eighteenth century. For instance, of 102 vessels advertised in Lancashire newspapers arriving in Liverpool in 1790 and carrying cotton from the West Indies, only 12 vessels were reported sailing to the African coast, and only 2 vessels were reported sailing from more than one West Indies destination, suggesting a more bilateral shipping pattern.⁵ In turn, shipping developments and an expansion of the Caribbean plantation economy created a possibility for major Liverpool cotton importers like James France, James and William Swan, John Kenyon, Thomas Barton, and Charles Fairclough, who did not invest heavily into Trans-Atlantic slaving ventures, to establish networks and operations in the West Indies and procure tropical commodities in return for shipping plantation supplies and provisions. Perhaps the most prominent of them, Thomas Barton of Barton, Irlam and Higginson, invested only in eleven slaving voyages in 1785-1800, yet was by far the biggest Liverpool importer of West Indies cotton, receiving more than 16 million lbs. of cotton in 1768-1815.⁶ Another major West Indies cotton importer, the house of Rawlinson, Chorley & Grierson, imported 8.2 million lbs. of cotton from the West Indies, and was also a firm whose partners did not invest in the Trans-Atlantic slave trade.⁷

Both groups of merchants, whether big or small slavers, tended to invest heavily into the West Indies trade, owning plantations, establishing houses, and procuring cotton from, in general, one colony. Thomas Barton, for example, received cotton almost exclusively from Barbados, where he operated from at least the early 1780s.⁸ In 1833, the year of slave emancipation in British West Indies, Barton, Irlam & Higginson owned a number of Barbadian plantations with at least 1,232 slaves, making the firm one of the biggest slave owners on the island.⁹ James Moss was the biggest Liverpool supplier of Bahamas cotton and one of the archipelago's large planters, said to have

⁴ Kenneth Morgan, *Bristol & the Atlantic Trade in the Eighteenth Century*, (Cambridge: Cambridge University Press, 2004), pp. 73, 77.

⁵ LCD.

⁶ Trans-Atlantic Slave Trade Database, www.slavevoyages.org; LCD.

⁷ LCD; The Rawlinsons (and Chorley) abandoned investments into slaving voyages to the African Coast; only once did a member of the Rawlinson family appear as a share owner of a slaving ship after 1776, Trans-Atlantic Slave Trade Database, www.slavevoyages.org.

⁸ Thomas Barton of Liverpool was a part owner of a vessel *Speights Town* with William Barton of Barbados, suggesting the Bartons had a family member stationed in Barbados since at least the 1784, Robert C. Craig and Rupert C. Jarvis, *Liverpool Registry of Merchant Ships* (Manchester: Manchester University Press, 1967), p. 16.

⁹ Kathlee M. Butler, *The Economics of Emancipation: Jamaica & Barbados, 1823-1843*, (Chapel Hill: University of North Carolina Press, 1995), p. 57.

owned twelve cotton plantations on Crooked Island and Long Key.¹⁰ Another Liverpool house, Neilson & Heathcote, received their cotton from Dominica, where they were known to operate a branch.¹¹ John Dawson, a major Liverpool slave trader with connections to the Spanish Americas, owned a plantation in Trinidad, and was one of the biggest importers of cotton from the colony after British occupation in 1797.¹²

A number of the bigger Liverpool houses operated in several West Indies colonies, receiving cotton from an extended network of acquaintances. For example by 1790, prominent Liverpool merchant Thomas Tarleton owned stores and houses in Grenada and Carriacou and two estates, one in Carriacou, and one in Dominica.¹³ As a plantation owner with merchant branches in Grenada and Dominica, Tarleton received most of his cotton shipments from the two colonies. Another major Liverpool and Lancaster family, the Rawlinsons, owned estates in Jamaica, managed business operations in St. Vincent, and maintained a coastal shipping service in the West Indies in the eighteenth century.¹⁴ The firm Rawlinson, Chorley & Grierson also obtained cotton from Jamaica and across the Lesser Antilles. Another Liverpool merchant John Bolton, also imported cotton from the Lesser Antilles, especially St. Vincent, where he operated a store as a young merchant for his former masters Rawlinson, Chorley & Co.¹⁵

As individual traders (or firms), then, Liverpool merchants specialised at procuring cotton from the regions in which they most heavily invested. As a community, however, Liverpool merchants established networks and operations across the West Indies, trading in free ports in Jamaica, Dominica, and Grenada and procuring cotton grown in the British and Foreign West Indies. Because of their Caribbean investment, Liverpool cotton importers established direct contact with West Indies planters, procuring cotton on their own account or acting as commission agents for their clients.

The form of West Indian cotton procurement in Liverpool developed in the second half of the eighteenth century out of the British West Indies sugar trade

¹⁰ Johnson, p. 12.

¹¹ LCD.

¹² LCD.

¹³ Statement of assets and liabilities held by Thomas Tarleton as of 31 December 1789, Tarleton Papers 920 TAR/5/1, *LRO*.

¹⁴ Sir Lewis Namier and John Brooke, *The History of Parliament: The House of Commons, 1754-1790*, (London: Secker & Warburg, 1964), pp. 348-349; Melinda Elder, 'Liverpool Slave Trade, Lancaster and its Environs', in David Richardson, Suzanne Schwarz and Anthony Tibbles (eds.), *Liverpool and Transatlantic Slavery*, (Liverpool: Liverpool University Press, 2007), p. 125.

¹⁵ Godfrey W. Matthews, 'John Bolton, a Liverpool Merchant, 1756-1837', *Historical Society of Lancashire and Cheshire*, Vol. 93, 1941, pp. 98-99.

commission system. London sugar merchants operating in the West Indies first adhered to the commission system from the late seventeenth century, and by the late eighteenth century most merchants in the outports, including Liverpool, operated on a commission basis.¹⁶ Since West Indies planters cultivated cotton in small volume and merchants sent cotton along with larger sugar cargoes, the system of procuring cotton developed from the sugar trade. Under the commission system, merchants residing in Liverpool acted as agents for cotton planters or other merchants, whether British or foreign, to sell cotton on the Liverpool market. Merseyside merchants organised plantation provisions and supplies, shipping, and insurance; extended credit and accepted bills of exchange; paid custom duties, freight charges, and warehousing costs; and communicated cotton market information to their clients. For their services, they received a commission between 2½ and 4 percent on top of any port and handling charges. Merchants likely adhered to the system because the capital required to carry out trade solely on one's own account lay beyond the reach of most British merchants. Additionally, acting as agents reduced merchants of risks associated with Atlantic trade and a volatile market.

A quintessential example of the commission system in the West Indies cotton trade survives from business correspondence of Barton, Irlam & Higginson of Liverpool and Thomas and John Lane of London. In 1794, lawyers and brothers Thomas and John Lane inherited the 'Newton's Lower Plantation' and 'Seawells Plantation' on Barbados after the death of their cousins, Sarah Holte and Elizabeth Newton.¹⁷ During the 1790s and early 1800s, Thomas Lane managed both sugar and cotton plantations as an absentee planter from London and relied on Thomas Barton, under the firm Barton, Irlam & Higginson, to dispose the sugar and cotton harvests on the Liverpool market. The Lanes, as was customary of other planters, tended to use the services of one merchant stationed in Liverpool, but had a network of a number of agents in other British ports.

Thomas Barton, a prominent Liverpool merchant and a large Barbados plantation owner himself, was an obvious choice as Lane's commission agent in Liverpool.¹⁸ An account of sale of Lanes' eleven bags of cotton by Barton, dated 6

¹⁶ Morgan, *Bristol and the Atlantic Trade*, pp. 193-195.

¹⁷ Introduction to the Newton Papers, National Archives, <http://www.nationalarchives.gov.uk/a2a/records.aspx?cat=096-ms523&cid=0#0>

¹⁸ Lane did not use Barton's services for the provision of plantation supplies, instead, Lane's Bristol agents Thomas Daniel & Sons and his London agent George Blackman assumed those duties. See an Invoice of stores shipped by Thomas Daniel & Sons, Bristol to the estates of John and Thomas Lane in Barbados, 1 Nov 1797 and 11 October 1798, MS523/174/2/6 and MS523/175/2/7; example of George Blackman sending Invoice of stores shipped to estates of John and Thomas Lane in Barbados, 1 October 1799, Newton Papers, MS523/176/1/13, *London University: Senate House Library*.

November 1798, illustrates the basic functions of a cotton commission agent in Liverpool. Lanes' cotton was shipped to Liverpool on the vessel *Elbe* from Barbados, arriving in Merseyside on 12 August 1798. Upon its arrival, Barton stored the cotton in his warehouse, recruited the services of a cotton broker, paid for port duties, town charges, freight costs, and other miscellaneous charges totalling £56 18s 4d. In a speedy sale of only ten days, and with the help of his broker, Barton sold Lanes' cotton to a major cotton manufacturing firm of Samuel Gregg & Co at a high price of 2s 5d per lb. and for a total of £360 6s 6d. Barton's clients were charged miscellaneous charges accrued in the process with an additional charges of 2 ½ percent commission and a ½ percent brokerage fee of the gross sale price, worth £10 16s 2d. The Liverpool firm gave the cotton manufacturers the standard ten days credit after which the purchase was to be settled by a four months' bill (Table 2.2).¹⁹

Liverpool cotton importers did not always work on a commission basis as the example of the relationship between Barton and the Lanes suggests. Surviving annual asset portfolios of Liverpoolian Thomas Tarleton implies that some Liverpool merchants purchased cotton outright to sell on the Liverpool market. The asset portfolios, which survive for the period 1786-1810, recorded Tarleton's ownership of property in the West Indies and in Liverpool as well as his stake in stock in the Tarleton & Backhouse firm. It also recorded an estimated personal stake in the West Indies commodities on hand as of 31 December of each year, including a "cotton account" and cacao and coffee accounts.²⁰ The fact that these accounts appear outside of the stock in Tarleton & Backhouse suggests this was Thomas's personal cotton stock. The amount of Tarleton's cotton account ranged annually from less than one percent to more than six percent of the total value of Tarleton's assets; the largest, in 1789, was worth £8,588 of total asset portfolio of £133,858 3s 2d.²¹ Thomas Tarleton likely received cotton on his own account either from clients in the Lesser Antilles or as harvests from his plantations in Carricou and Dominica.

¹⁹ Newton Papers, MS523/175/3/2, *London University: Senate House Library*; Barton also disposed of Lane's 13 bales of cotton on 23 May 1797 in a similar fashion, charging his client a commission of 2 ½ percent, adding various miscellaneous charges accrued in the process from shipping to sale on the Liverpool market, Newton Papers, MS523/331/2, *London University: Senate House Library*.

²⁰ Statement of assets and liabilities held by Thomas Tarleton as of 31 December for the years 1786, 1789, 1794-6, 1799, 1800-7, 1810, Tarleton Papers 920 TAR/5/1/1-15, *LRO*.

²¹ The fact that the cotton account appeared separate from the Stock in trade of the joint Tarleton and Backhouse entry - worth £19,725 10s 11d in the same year - suggests it was Thomas Tarleton's own cotton stock, 920 TAR/5/5; the letters sent by the brothers Clayton, Thomas, and John to each other in 1790-1794 regarding shipments of cotton, cotton prices in Liverpool and Manchester further proves this point. Examples include: Clayton Tarleton to Thomas Tarleton, 29 February 1790, 920 TAR 4/15; Clayton Tarleton to Thomas Tarleton, 12 July 1792, 920 TAR 4/26; Clayton Tarleton to Thomas Tarleton, 25 January 1793 920 TAR 4/50; Tarleton Papers 920 TAR, *LRO*.

Table 2.2: Barton, Irlam & Higginson Account of Sales of 11 bags of cotton for John & Thomas Lane, 6 November 1798

Sales of 11 Bales Cotton received p Ship Elbe Alexander McKerdle from Barbadoes (arrived 12 August 1798) on Account of Messrs. John & Thomas Lane 1798

August 22 By Samuel Gregg & Co for the whole payable in four Months

0.	2.1.23		
7.	2.1.9		
1.	2.3.22		
3.	2.2.21		
0.	3. .27		
0.	2.0.2		
11.	2.2.16		
2.	2.3.1		
10.	2.3.10		
9.	2. .23		
6.	<u>2.2.9</u>		
	27.2.23		
	<u>1.0.9</u>	Dft and Tare	
	<u>26.2.14</u>	Nett 2982 Pounds @ 2/5	360.6.6

Charges

Paid Duty on 2982 pounds Cotton @ 8/9 p Entry 1/	13.1.10	
“ Bill Money 5/5 Townsduty & Landwaiters 3/8	9. 1	
“ Cartage & Portage 16/6 Storage 11/	1. 7. 6	
“ Freight and Primage	31.4. –	
To Commission 2 ½ and Brokerage ½ p Cent	<u>10.16. 2</u>	<u>56.18.4</u>
Errors & Debts Excepted		<u>£ 303.7. -</u>

Liverpool 6 November 1798

For Thomas Barton

Geo. Irlam

Source: Barton, Irlam & Higginson Account of Sales of 11 bags of cotton for John & Thomas Lane, 6 November 1798, Newton Papers, MS523/175/3/2, *London University: Senate House Library*.

While Liverpool importers dealing in British West Indies cotton worked largely on a commission basis, little is known about how cotton was procured from foreign West Indies colonies. Armytage's excellent study of the free port system in the British West Indies demonstrates that large amounts of foreign raw cotton entered British free ports in the West Indies, but does not detail the system of cotton procurement. In general, British merchants procured cotton from the foreign West Indies by a combination of exchanging them for British manufactured goods, plantation supplies, slaves, foreign bills of exchange, and specie. Yet it is unclear which form of exchange prevailed or whether British merchants extended credit to cotton planters and merchants in the French Caribbean and Dutch Guyana.

At least three Liverpool firms operated with Foreign West Indies colonies in the late eighteenth century. Liverpool merchant John Dawson of Baker & Dawson was granted rights in May 1785 by the Spanish government to supply Spanish colonies with slaves, delivering more than 11,000 to Spanish America.²² John and Clayton Tarleton discussed the possibility of entering into joint slave trade ventures in 1790 with French merchants from Havre.²³ Barton, Irlam and Higginson operated in the colonial trade between Barbados and Dutch Guyana, shipping cotton to the colonies in return for plantation provisions and manufactured goods.²⁴ How these and other Liverpool merchants conducted business with French, Dutch, and Spanish merchants and planters remains to be examined.

Some Liverpool merchants, acquiring foreign West Indies cotton, likely followed a strategy similar to that of merchants operating in the Bahamas. Major Liverpool and Bahamas merchants William & James Moss exchanged manufactured goods, slaves, and plantation supplies directly for cotton when dealing with poor planters in the Bahamian archipelago. For example, in the *Bahamas Gazette* on 31 August 1792, William and James Moss advertised a sale of 210 African slaves, specifying that slaves could be purchased for "cash, cotton, or approved bills of

²² James A. Rawley, Stephen D. Behrendt, *The Transatlantic Slave Trade: A History*, revised edition, (Lincoln: University of Nebraska Press, 2005), p. 187; Morgan, 'Liverpool's Dominance in the British Slave Trade', p. 32.

²³ It is unclear, however, whether the venture was undertaken, John Tarleton to Thomas Tarleton, 29 April 1790, Tarleton Papers, 920 TAR4/8, *LRO*.

²⁴ Barbados, a small island covering 166 square miles could not have sustained the amount of cotton Thomas Barton and other importers were receiving in Liverpool in 1768-1815 despite some evidence that some Barbadian planters switched to cotton cultivation in the mid-1780s, see Edwards, p. 79. Eric Willem van der Oest, noted a large illegal flow of cotton in the 1770s and 1780s from Dutch Guyana and the British Caribbean colonies, especially to Barbados, Oest, pp. 357-359. Therefore, being a major merchant in Barbados, Barton was likely trading in Guyana, whether personally investing in colonial shipping or via agents in Barbados.

exchange.”²⁵ Other Bahamas merchants also advanced loans and expected to receive cotton harvests as a security.²⁶ A system of direct exchange and barter was common in the Bahamas rather than a commission system, because many planters possessed small capital holdings and could not be trusted with extended credit.²⁷ Similarly in the French West Indies and Dutch Guyana, there were risks associated in collecting outstanding debts from foreign nationals, especially during a period of Anglo-French and Anglo-Dutch conflicts and general European political instability.

A shift in cotton cultivation from the Caribbean islands to Guyana in the early nineteenth century led to a continuation and expansion of the commission based system for obtaining cotton in British Caribbean colonies. Even before the British acquisition of Demerara, Berbice, and Essequibo in 1803, British planters composed a major group of the colonies’ white population after the Dutch West India Company allowed British planters to settle in Dutch Guyana in the second half of the eighteenth century.²⁸ One estimate claims British settlers in 1770 owned and operated one-third of the 130 plantations in Demerara.²⁹ With the opening of direct trade with the colonies from c. 1796, a group of Liverpool merchants, eager to expand operations, invested heavily into the region, establishing houses and networks for the purpose of procuring cotton, sugar, and other tropical commodities. Advertisements published in the colonial newspaper *Essequibo and Demerary Royal Gazette*, surviving for the years 1803-1815, demonstrates the ubiquity of British merchants and planters in the former Dutch colonies.³⁰

Business correspondence between John Gladstone of Liverpool and the Fraser family of Reelig, Scotland illustrates the extension of the commission system in the Guyana cotton trade. Father of the famous British Prime Minister William Ewart Gladstone, John Gladstone operated as a Liverpool grain merchant prior to investing in the Guyana trade. Born in Leith on 11 December 1764 to a shopkeeper and corn merchant Thomas Gladstone, John left Leith by 1787 to pursue a merchant career in Liverpool with the house of Corrie & Co. In Liverpool, he operated under Corrie, Gladstone & Co for sixteen years after which time he set up his own account as a

²⁵ Johnson, p. 13.

²⁶ Johnson, p. 14.

²⁷ Johnson, pp. 13-14.

²⁸ Oest, p. 328.

²⁹ Johannes M. Postma, *The Dutch in the Atlantic Slave Trade, 1600-1815*, (Cambridge: Cambridge University Press, 1990), p. 219.

³⁰ The newspaper published advertisements of imported commodities and slaves on sale in Demerara, usually including which merchants to contact regarding the sale. During the surviving run, 1803-1815, the newspaper recorded a number of Liverpool merchants operating in partnership or individually in the colony.

general merchant.³¹ From 1804, Gladstone began receiving regular shipments of cotton from Guyana, becoming one of the biggest Guyana cotton importers, receiving more than 3.8 million lbs. of cotton in 1796-1815.³² One of his major clients was Scottish merchant and planter Edward Satchwell Fraser of Reelig, and part owner of two cotton estates in Berbice in 1799-1817. Fraser's two sons James Baillie Fraser and Edward Fraser Jr. managed the plantations in Guyana, sending cotton shipments first to a London firm of McTavish, Fraser & Co to sell on the London market.³³ By 1805, Liverpool's growth as the leading importer of cotton encouraged Fraser to send cotton shipments to Gladstone. The relationship between the two Scotsmen flourished in 1805-1815, during which Gladstone sold at least 1,121 bags of Fraser's cotton in Liverpool, worth an estimated £30,000.³⁴

Like Liverpool merchants operating in the rest of British West Indies, John Gladstone carried out a number of services for the Fraser family. In Liverpool, he disposed of the cotton and charged relevant fees to Fraser's account. Gladstone extended credit to Fraser, organised loans, insurance and shipping, and sent plantation supplies to Fraser's Berbice plantations.³⁵ He levied the usual charges accrued during shipping, storing and selling cotton on the Liverpool market: insurance on shipping; import duty; town and trade duty; freight and primage; portage weighting and warehousing; delivery, mending and bagging; warehouse rent; insurance against fire, interest of bank commission on duty; and freight and brokerage.³⁶ For his services Gladstone received a 4 percent commission, which included a guarantee of recovering debt owed to Fraser from cotton buyers.³⁷

³¹ David Hollett, *Passage from India to El Dorado: Guyana and the Great Migration*, (Madison: Fairleigh Dickinson University Press, 1999), p. 47.

³² Prior to 1804 Gladstone was consigned only one shipment of cotton (in 1800) from the West Indies and Guyana. It was not until 1804 when he begun to receive regular shipments of cotton and other tropical commodities from Guyana, LCD.

³³ Denis Wright, 'James Baillie Fraser: Traveller, Writer and Artist 1783-1856', *Iran*, Vol. 32, 1994, p. 125; Fraser of Reelig Papers, *Private Collection*.

³⁴ Assuming price of Demerara cotton was 26d per lb. and the weight of each bag was 252 lbs. Number of bags was calculated from accounts of cotton sales sent to Edward Satchwell Fraser by John Gladstone 1805-1815, Fraser of Reelig Papers, *Private Collection*.

³⁵ Regarding organisation of a £5000 loan see Edward Satchwell Fraser to John Gladstone, Inverness, 23 June 1807, Bundle 170, Fraser of Reelig Papers, *Private Collection*; for shipping insurance see Edward Satchwell Fraser to John Gladstone, Inverness, 28 April 1807, Bundle 170, Fraser of Reelig Papers, *Private Collection*; for plantation supplies and manufactured goods see John Gladstone to Edward Satchwell Fraser, Invoice of Sundry Stores, 25 February 1805, Bundle 173, Fraser of Reelig Papers, *Private Collection*.

³⁶ For example, see Account of Sales of 12 bags cotton of the proprietors of Union Plantation, 18 November 1806, Bundle 173, Fraser of Reelig Papers, *Private Collection*.

³⁷ The Purchaser, like in the case of Thomas Lane cotton, was given ten days credit, paid usually by a three months bill, Fraser of Reeling Papers, *Private Collection*.

Gladstone was part of a group of well-established and opportunistic Liverpool traders who were largely inactive in the West Indies cotton trade in the late eighteenth century, but entered the Guyana trade in the early nineteenth century. Others included a prominent Liverpool firm Thomas & William Earle, which received only a few consignments of cotton from the West Indies. The Earles invested into three slaving voyages in 1801-1804 to Guyana and imported 1.9 million lbs. of cotton from the colony in 1797-1815.³⁸ Liverpool cotton broker Nicholas Waterhouse, who like the Earles received only a few consignments of cotton from the West Indies during the period, imported large quantities of Guyana cotton in the early nineteenth century.³⁹

Compared to other Liverpool merchants, Gladstone was slow entering the Guyana trade since well-capitalised and established Liverpool West Indies merchants captured the bulk of the Guyana cotton trade. Thomas Barton (under Barton, Irlam & Higginson) was one of the first Liverpool merchant to receive cotton shipments directly from Guyana, importing in 1797-1815 more than 3.5 million lbs. of cotton from the colony.⁴⁰ Another major Guyana cotton importer, John Bolton, organised one of the first slaving ventures to Guyana in 1796 and invested into two more in 1797.⁴¹ Other Liverpool houses—Neilson & Heathcote, trading in Jamaica, and Rodie & Shand trading in the Lesser Antilles—followed Bolton's example, sending slaving voyages to British Guyana from 1797 onwards and receiving cotton from the colony (Table 2.3).

Like in the older British West Indies colonies, Liverpool merchants invested in Guyana, established houses in the colony, and became plantation owners. By 1808 Barton, Irlam and Higginson, for instance, established a branch in Demerara under Barton, Deane & Co and operated as exporters and importers in the colony.⁴² John Bolton by 1815 owned at least one plantation—Plantation Belvidere—in Demerara.⁴³ He also financed a number of loans for Demerara planters during the early nineteenth century; In 1812-1816, the *Essequibo and Demerara Royal Gazette* advertised agreements of using—Plantation Maryville and Liberty, Plantation Glazer's Lust, Plantation Nismes, Plantation Batchelor's Adventure, Plantation St. Christopher—as collateral for loans organised by Bolton & Littledale.⁴⁴ Other major Liverpool cotton

³⁸ Trans-Atlantic Slave Trade Database, www.slavevoyages.org.

³⁹ Nicholas Waterhouse established business networks in Demerara, shipping manufacture goods to the colony and receiving cotton. For shipments of commodities sent by Nicholas Waterhouse & Co. of Liverpool to Demerara see *EDRG*, 27 January, 30 October 1810, and 23 November 1811.

⁴⁰ LCD.

⁴¹ Trans-Atlantic Slave Trade Database, www.slavevoyages.org.

⁴² For an example of Barton Deane & Co operating in Demerara see *EDRG*, 6 June 1807.

⁴³ *EDRG*, 4 February 1815.

⁴⁴ *EDRG*, 23 December 1815, 28 March 1812, 18 March 1815, 17 February 1816, 20 April 1816.

importers including Barton, Irlam & Higginson, Rodie & Shand, and John Gladstone also made loans to Guyana planters and owned plantations in the colony.⁴⁵

Table 2.3: Top fifteen Liverpool cotton importers from Guyana, 1796-1815.

Consignee	Amount lbs.	Imported Slaves To the Colonies	Operated a House in the Colonies?
John Bolton & Co	6,528,331	Y	-
John Gladstone & Co	3,844,938	N	-
Nicholas Waterhouse & Co	3,832,274	N	-
Barton, Irlam & Higginson	3,542,640	N	Y
Bolton & Littledale	3,148,050	Y	Y
Samuel Sandbach & Co	2,822,002	N	Y
Neilson & Heathcote	2,094,952	Y	Y
Thomas & William Earle	1,960,808	Y	-
Rodie & Shand	1,481,146	Y	-
Ridley & Dobson	1,314,514	N	-
Thomas Daniel & Son	864,218	N	-
Thomas Ryan	707,400	N	P
Thomas & Isaac Littledale	643,734	N	Y
Thomas Porter	624,498	N	-
Williams, Wilson & Co	607,602	P	-
Colin, Douglas & Co.	568,018	N	Y

Sources: Krichtal, Liverpool Cotton Database, 1752-1815; Trans-Atlantic Slave Trade Database, www.slavevoyages.org; *Gore's Liverpool Directory*, 1790, 1803, 1813; *Essequibo and Demerary Royal Gazette*, 1803-1815.

Note: cotton imports from Suriname were included

Y- Yes; N – No; P – Possibly, Thomas Ryan was likely related to C. and J. Ryan of Demerara.

John Bolton was perhaps the most successful of the group of Liverpool merchants importing cotton from Guyana. Son of an apothecary from Ulverston, Bolton served his apprenticeship to Henry Rawlinson, a Liverpool merchant from a prominent Lancaster family.⁴⁶ After a career as an agent and merchant in St. Vincent, Bolton moved to Liverpool to trade on his own account. By 1790, he operated a counting house on 14 Henry Street, Liverpool, and invested in slaving ventures, entering quickly into the Guyana trade at the end of the decade. Trading in Liverpool under John Bolton & Co. and Bolton & Littledale, he received at least 9.6 million lbs. of Guyana cotton in

⁴⁵ For Barton, Irlam & Higginson see *EDRG*, 12 November 1808 and 22 July 1815; for Sandbach, Tinne & Co see *EDRG*, 5 May 1812, 20 April 1816, 18 January 1817, and 22 March 1817; Rodie & Shands see *EDRG*, 16 May 1807, 17 October 1812, 17 April 1813, and 26 July 1817; For John Gladstone see *EDRG*, 24 February 1810, 23 June 1810, 23 February 1811, 15 February 1817, 27 July 1811, 29 February 1812.

⁴⁶ Elder, p. 125.

1797-1815, making him the biggest Liverpool cotton importer from the region.⁴⁷ One estimate put John Bolton's loan investment in Demerara in 1803 at about £200,000.⁴⁸ Upon his death in 1836, Bolton, had amassed a personal estate valued below £180,000, making him one of the wealthiest Liverpool merchants of his period.⁴⁹

Bolton's success as the major Liverpool importer of Guyana cotton lay in his ability to foster an extensive network of Guyana planters and merchants. Not having established a house in Guyana himself, Bolton operated as a Liverpool agent for Guyana planters Charles Lamont Robertson, John Noble, Robert Williamson, E. C. Overbrook, John Walcott, and Edward Burnwell, supplying them with provisions, manufactured goods, slaves, loans, and credit and receiving cotton and other tropical produce to sell in Liverpool.⁵⁰ Bolton also managed to build business relations with a network of Scottish merchants whose presence and economic power in Guyana became evident in the early nineteenth century.⁵¹ Prominent Scottish-Guyana merchants Evan Baillie, George Inglis, and Charles Stewart Parker contracted Bolton's services as an agent in Liverpool.⁵² In turn, Bolton's clients introduced him to other merchants in their network as his Guyana clientele grew in the early nineteenth century.

Bolton also managed to secure a dominant position in the Liverpool and Guyana cotton trade through his marriage. In 1797, he married Elizabeth Littledale, daughter of a large Whitehaven merchant and banker Henry Littledale.⁵³ Henry Littledale's sons Anthony and Alfred operated in Demerara under A. & A. Littledale from at least the early nineteenth century.⁵⁴ Established in Whitehaven and Demerara, the Littledales expanded into Liverpool trade by 1803 as brokers under Isaac & Thomas Littledale, occasionally receiving cotton shipments from the colony.⁵⁵ The nephew of Bolton,

⁴⁷ LCD.

⁴⁸ Seymour Drescher, *Econocide: British Slavery in the Era of Abolition*, (Chapel Hill: University of North Carolina Press, 1977, 2nd edition, 2010), pp. 95-96.

⁴⁹ Pope, p. 208.

⁵⁰ Bolton serviced mortgages to a number of Demerara plantations as published in the *EDRG*, suggesting he also acted as a commission agent for the disposal of their sugar and cotton harvests in Liverpool. Examples include: Charles Lamont Robertson and John Noble – Plantation Maryville & Liberty, 23 December 1815; Robert Williamson – Plantation Glazer's Lust, 28 March 1812; E. C. Overbrook – Plantation Nismes, 18 March 1815; John Walcott – Batchelor's Adventure, 17 February 1816; Edward Barnwell – St. Christopher, 20 April 1816.

⁵¹ Regarding Scottish merchants and planters entering and operating in the British West Indies in the eighteenth century see Douglas J. Hamilton, *Scotland, the Caribbean and the Atlantic world, 1750-1820*, (Manchester: Manchester University Press, 2005).

⁵² Hamilton, p. 98.

⁵³ Matthews, p. 109.

⁵⁴ For the firm A. and A. Littledale operating in Guyana see *EDRG*, 21 April 1804; LCD.

⁵⁵ *Gore's Liverpool Directory*, 1803; LCD.

Thomas Littledale acted as his Liverpool broker by 1806.⁵⁶ Bolton also by 1811 took on one of the Littledales as a partner in Liverpool (under Bolton & Littledale), importing 3.1 million lbs. of Guyana cotton.⁵⁷ Trading under this marital-tied network of merchants, planters, and bankers in Demerara, Whitehaven, and Liverpool, Bolton enjoyed the business connections, finances, and networks established by the Whitehaven family in the late eighteenth and early nineteenth century.

Merchants such as the Littledales managed to enter the Liverpool-Guyana cotton trade by forming partnerships with established merchants like John Bolton; others successfully competed with older Liverpool firms by establishing their own branches and clients in the early nineteenth century. Of those, Samuel Sandbach & Co is particularly important. Before operating in Liverpool and Demerara, Cheshire-born Samuel Sandbach worked as a merchant with his uncle Samuel Sandbach I in Grenada, and meeting future Scottish partners McInroy and Parker there.⁵⁸ Establishing himself in Demerara by 1794, under the firm Robertson, McInroy, Parker & Sandbach, he aggressively expanded trading operations, entering a partnership in Glasgow under McInroy, Parker & Co in 1801, and a year later forming Samuel Sandbach & Co in Liverpool.⁵⁹ The firm quickly expanded operations in Merseyside, importing 2.8 million lbs. of cotton into Liverpool in 1801-1815.⁶⁰ Successfully competing with older Liverpool firms like Barton, Irlam & Higginson by organising trade from Glasgow, Liverpool, and Demerara, Sandbach and company further extended their economic power in the early nineteenth century Guyana by taking on as partner a Dutch Guyana government official, planter, and merchant Phillip Tinne, who hailed from a prominent and influential Dutch family.⁶¹

Liverpool's merchant community, then, had established networks across the British Caribbean prior to the boom of cotton importation in the 1770s. They procured cotton from regions in which they specialised, outfitted slaving vessels, and owned stores, houses, and plantations. They acted as commission agents in Liverpool for West Indies cotton planters and merchants, and at times purchased cotton on their own account. As the cotton frontier shifted from the Caribbean islands to Guyana, a number of Liverpool merchants, whether established West Indies merchants or not, entered the

⁵⁶ For example, Thomas & Isaac Littledale appeared as brokers selling 500 bags of Demerara and 120 bags Sea Island cotton for John Bolton, *Liverpool Chronicle*, 13 August 1806.

⁵⁷ LCD.

⁵⁸ Hollett, p. 38.

⁵⁹ Hollett, p. 38.

⁶⁰ LCD.

⁶¹ Phillip Tinn was a part owner of at least two coffee plantations in 1804 and appointed as the first clerk of the colonial secretariat in 1801, Hollett, p. 39.

Guyana trade. By 1815, they invested heavily into the region, procuring cotton on the same commission basis as their counterparts in the Greater and Lesser Antilles did in 1770.

Unlike in the West Indies, Liverpool merchants were not well positioned to procure cotton from Brazil. A combination of pre-established dominance of London-based firms operating in Portugal and a lack of a strong Liverpool ties to the country resulted in a rather different organisation of the trade before 1807 and a rapid re-organisation of the trade thereafter.

British merchants had a long tradition of operating in Portugal before the expansion of Brazilian cotton cultivation in the 1770s. Traditionally, Britain saw Portugal as an important economic and strategic region. Portugal's Atlantic position, geographical proximity to the entry into the Mediterranean, and its close geographical and political relationship with Spain and France made it a very important political and commercial ally. Additionally, the trade in wine, salt, and oil from Portugal and Brazilian sugar, tobacco, gold, dyewoods, and later cotton, made eighteenth century Portugal an important player in the Atlantic economy. English merchants found the Anglo-Portuguese trade valuable as early as the fifteenth century, receiving trading privileges from the Portuguese government.⁶² Successive treaties in 1642, 1654, and the Methuen Treaty of 1703 further expanded British privileges and power in Portuguese commerce. By the early eighteenth, century British nationals operating in Portugal organised permanent 'factories'—a loose union of British merchants—evident in Lisbon by 1721 and Oporto by 1727.⁶³

The rise of cotton cultivation in Brazil expanded the Anglo-Portuguese trade in the late eighteenth century. Portuguese navigational laws restricted the exportation of Brazilian products to any non-Portuguese port. For most of the period, 1777-1806, British imports of Brazilian cotton entered Britain via Lisbon and Oporto. Exports of Brazilian cotton to England increased from 10,000 lbs. in 1777 to 4.1 million lbs. in 1789 and 12.1 million lbs. by 1802.⁶⁴ The demand for cotton in Britain was so large that

⁶² Leslie M. Shaw, *The Anglo-Portuguese Alliance and The English Merchants in Portugal, 1654-1810*, (Hants: Ashgate Publishing Limited, 1998), p. 6.

⁶³ A. R. Walford, *The British Factory in Lisbon*, (Lisbon: Instituto Britanico Em Portugal, 1940), p. 16; Norman R. Bennett, 'The Golden Age of the Port Wine System, 1781-1807', *International History Review*, Vol. 12, No. 2, May 1990, p. 240.

⁶⁴ Assuming 1 arroba = 32 lbs., Maxwell, p. 59.

for the first time two centuries, in 1789-1790, the balance of payments between Britain and Portugal turned in favour of Portugal: in 1791-1795 Portugal received a surplus of over £570,000.⁶⁵

Liverpool's trade with Portugal and Brazil, though, remained small during much of the eighteenth century. Anglo-Portuguese trade flowed largely through London, the major British port in the eighteenth century. Although British factory members in Lisbon and Oporto originated from different regions of Britain, many operated out of or had strong business relations with London and its merchant community.⁶⁶ Liverpool firms in the second half of the eighteenth century, therefore, did not have a tradition of operating in Portugal and likely found the trade less desirable because of its small volume and because of the difficulty of establishing operations in an already competitive market, one dominated by London-based firms. Thus, unlike Liverpool merchants' ventures in Africa, the West Indies, North America, Ireland, and the coastal trades, the Portuguese trade made up a small fraction of Merseyside trade. For example, in 1774, the *Manchester Mercury* recorded at least 256 vessels arriving into Liverpool from Ireland, 96 vessels from the West Indies, 51 vessels from Africa, 55 vessels from the thirteen American colonies, and only 13 vessels from Portugal, carrying modest shipments of Portuguese wine and seasonal fruit and vegetables.⁶⁷ Despite the difference in the average tonnage of vessels operating in each region,⁶⁸ the Portuguese trade was clearly a small part of the port's Atlantic trade.

Unfortunately, and perhaps because of the light trade volume and unconventional organisation of commerce, little is known about how the Luso-Brazilian cotton trade was conducted and what role British merchants played. In 1987 Bethell highlighted this dearth of knowledge, and little has been written since about the

⁶⁵ Shaw, p. 23; Lang, p. 190.

⁶⁶ For brief biographies of major British wine firms in Oporto see Charles Sellers, *Oporto, Old and New*, (London: Herbert E. Harper, 1899); A Hospital Minute Book of the Lisbon factory, compiled in 1803, recorded a sample of the list of members of the Lisbon factory from 1749 onwards. Of the thirty eight British Lisbon factory members admitted into the factory in 1749-1775, most put their residence as 'Lisbon', but at least eight noted their residency as 'London' and none noted their residency as 'Liverpool', suggesting a lack of Liverpool-based firms and strong presence London-based merchants in Lisbon's trade prior to 1775. For members of the Lisbon factory see Walford, pp. 71-75.

⁶⁷ Calculated from the *MMHGA* for the year 1774.

⁶⁸ For example a sample of British vessels operating c. 1766, put together by Ralph Davis, reveals that the average tonnage British vessels operating in these regions was: Italy-148 tons, Greece-165 tons, Barbados-236 tons, Jamaica-225 tons, Other West Indies-170 tons, West Africa-101 tons, Northern America-133 tons, and Carolina-176 tons, Davis, *The Rise of English Shipping Industry*, pp. 256, 298-299.

Brazilian cotton trade.⁶⁹ Information must be gleaned and extrapolated from general studies of the Anglo-Portuguese trade and the better-studied Oporto wine trade.

Historians generally agree that by the early eighteenth century British merchants established their pre-eminence in Anglo-Portuguese and Luso-Brazilian trades.⁷⁰ But in the second half of the eighteenth century, under the leadership of Pombal and prior to the cotton cultivation boom in north-eastern Brazil, the Portuguese government implemented a series of economic reforms that hindered British merchants operating in the Portuguese empire.⁷¹ The Portuguese government established the Grão Pará and Maranhão Company in 1755, and the Pará and Pernambuco Company in 1759 to regulate trade with the two northern and underdeveloped Brazilian provinces, granting these two companies monopolistic privileges in shipping goods to and from the colonies and Portugal.⁷² The Alto Douro Wine Company (*Companhia Geral de Agricultura das Vinhas do Alto Douro*) was established in 1756 to regulate the wine trade of the Douro region, another major sector of British merchant power in Portuguese trade. The same year, the company of *Junta do Commercio* was established to regulate commercial activities, restrict smuggling, and operate other services such as the granting of applications to set up retail stores in Portugal.⁷³ The *junta* and the three companies were established, as noted by Alan K. Manchester, for two major reasons: to expand and diversify the Brazilian economy; and to restrict foreign, especially British, interests in Portuguese commerce.⁷⁴

It is debatable whether Pombal's restrictive measures during his era and after successfully dislodged British interests in Portugal and the Luso-Brazilian trade. Alan D. Francis noted that by the end of Pombal's era no foreign factories were organised in Brazil, which allowed for the Maranhão and Pará Company in 1777 and Pernambuco Company in 1778 to expire.⁷⁵ Leslie M. Shaw argued that during the period 1750-1777, Pombal reduced British power in Portuguese commerce, especially in the Oporto wine trade, as almost all British factories and commission agents had departed the city, leaving business in the hands of Portuguese agents.⁷⁶ Certainly Luso-Brazilian trade statistics show a significant drop in Britain's share of the trade; between the 1750s and

⁶⁹ Bethell, p. 383.

⁷⁰ Shaw, p. 20; Alan K. Manchester, *British Preëminence in Brazil, Its Rise and Decline: A Study in European Expansion*, (New York: Octagon Books, 1972), p. 26.

⁷¹ Manchester, p. 42.

⁷² Manchester, p. 41.

⁷³ Manchester, p. 42.

⁷⁴ Manchester, pp. 42-44.

⁷⁵ David Francis, *Portugal 1715-1808, Joanine, Pombaline and Rococo Portugal as Seen by British Diplomats and Traders*, (London: Tamesis Books Limited, 1985), p. 187.

⁷⁶ Shaw, p. 21.

the 1780s, Britain's share of Luso-Brazilian purchases dropped by 48 percent, while Britain's share of Lisbon's trade in the same period fell from 56 percent to 20 percent.⁷⁷ In this light, it seems that Pombal effectively discouraged British merchants from operating in the Luso-Brazilian trade.

A number of other historians would disagree that Portuguese policy severely hindered British traders. Both Norman R. Bennett and Paul Duguid independently concluded that British firms continued to dominate in the Oporto wine trade during Pombal's most forceful period.⁷⁸ For example, the number of British wine firms in Porto actually rose from 32 in 1756 to 47 in 1771, despite the restrictive measures taken by the *junta*.⁷⁹ Additionally, Herbert Heaton noted that British merchants owned plantations in Portuguese Brazil and took on Portuguese partners to circumvent restrictive trading measures in the Brazilian colonial trade, and while Pombal achieved some purpose in supplanting British merchants, the Napoleonic conflicts restored a more favourable trading relationship for Britain.⁸⁰ Kenneth R. Maxwell noted that Pombal's policies failed to dislodge the British factories in Lisbon and Oporto or capture British business.⁸¹ Furthermore, Pombal's ousting from his dominant position in Portuguese politics by 1778 gave British merchants, despite continued restrictions, more than a decade to re-establish networks in Brazil before the expansion of Anglo-Portuguese cotton trade of the late 1780s.

The organisation of the cotton trade between mainland Portugal and Liverpool can be illustrated from surviving business records of the British firms George Sandeman & Co and Offley & Co.⁸² Both companies had large wine concerns in the late eighteenth and early nineteenth centuries, operating in London with networks in Portugal. Offley & Co, the older of the two, established a branch in Oporto to export wine from at least 1779, and was also known to operate in Lisbon under Evans, Offley & Sealy in the early nineteenth century.⁸³ Surviving Papers of Offley & Co from 1779 onwards suggest the firm only occasionally exported Brazilian cotton to Britain. Unlike Offley & Co,

⁷⁷ Lang, p. 190.

⁷⁸ Bennett, pp. 221-248; Paul Duguid, 'The Changing of the Guard British Firms in the Port Trade, 1777-1840', in Gaspar Martins Pereira (ed.), *A História do Vinho do Porto e do Vale do Douro*, Vol. IV, (Porto: GEHVID/Afrontamento, 2002), pp. 1-37.

⁷⁹ Duguid, 'The Changing of the Guard British Firms in the Port Trade, 1777-1840', p. 5.

⁸⁰ Herbert Heaton, 'A Merchant Adventurer in Brazil, 1808-1818', *Journal of Economic History*, Vol. 6, No. 1, May 1946, p. 3.

⁸¹ Maxwell, p. 58.

⁸² Both firms during the period 1770-1815 operated under a number of partnership variations in London, Lisbon and Oporto. For the purpose of this thesis, the firms will be referred to as George Sandeman & Co, and Offley & Co, respectively.

⁸³ Fitton and Wadsworth, p. 278.

George Sandeman & Co was a major Brazilian cotton exporter in the early nineteenth century. Sandeman operated in London from 1790, establishing a branch in Oporto only in 1814.⁸⁴ His surviving ledger—Wine and Cotton Order Book, 1792-1809—illuminates the organisation of the British-Portuguese cotton trade in the late eighteenth and early nineteenth centuries.⁸⁵

George Sandeman, originally from Perth, left Scotland in 1790 to establish a wine cellar business in London, building a network of Spanish and Portuguese-based merchants to fill wine orders for his British clients. Sandeman soon learned of the growing Portuguese cotton trade and its importance from a client. In a letter dated 30 January 1793, Campion, Offley, Hesketh & Co. of Lisbon first advised the newly-established merchant to consider expanding operations outside of the wine trade and into cotton commission work:⁸⁶

On receipt of this you [George Sandeman] will please to give advice to Messr. John Terry of Liverpool (formerly Henry, Scott and co) of the prices of Cotton, Oil and Fruit & what have been the general governing price of the latter for these two or three years past this Gent. in Correspondence with this Lisbon House which has shipped him Cotton to a notably large amount. These commissions are worth your attention & we should recommend you sending him the prices favoured occasionally & also to advise in the prices of Cotton whenever there is any on hand for sale & the prices of Corn.

Sandeman never received Henry, Scott & Co's business. In June 1794, however, he tested the growing cotton trade by carrying out his first small shipment of cotton for Samuel Unwin of London for twenty bags of Pernambuco and Maranhão cotton each.⁸⁷ Another three years passed before Sandeman began to send regular shipments of cotton to his British clients, exporting 1,752 bags of Brazilian cotton in 1798 alone.⁸⁸ Based on his 1802-1805 orders, the peak of his operation as a cotton merchant, George Sandeman & Co handled about nine percent of all the Brazilian cotton imported into Liverpool, Glasgow, and Bristol, making him one of the largest Brazilian cotton merchants in the early nineteenth century.⁸⁹ By October 1806, however, Sandeman stopped recording

⁸⁴ George Sandeman to George Sr. Sandeman, 29 November 1790, Sandeman Sons & Co, CLC/B/196/MS23959, *LMA*; Paul Duguid, 'Networks and Knowledge: The Beginning and End of the Port Commodity Chain, 1703-1860', *Business History Review*, Vol. 79, No. 3, Autumn 2005, p. 510.

⁸⁵ Wine and Cotton Order Book, 1792-1809, Sandeman Sons & Co, CLC/B/196/MS08645, *LMA*.

⁸⁶ Campion, Offley, Hesketh and Co. to George Sandeman, 30 January 1793, Sandeman, Sons & Co Letterbook 1793-1794, *Sandeman Archives*.

⁸⁷ Wine and Cotton Order Book, 1792-1809, Sandeman and Sons & Co, CLC/B/196/MS08645, *LMA*.

⁸⁸ Fitton and Wadsworth, p. 283.

⁸⁹ By comparing Sandeman's 1802-1805 cotton sales, calculated by Fitton and Wadsworth, p. 283, to the number of bags recorded entering the three major cotton ports—Liverpool, Glasgow, and Bristol—in the

cotton shipments in his order book, suggesting his exit from cotton trade as the growing threat of Napoleon's invasion loomed over the Portuguese court and the Anglo-Portuguese trade (Table 2.4).

Table 2.4: George Sandeman & Co cotton exports from Portugal, 1798-1806.

Year	Bags	Misc Quantities
1798	1,752	
1799	1,330	£1,000
1800	2,870	
1801	2,280	
1802	8,760	
1803	3,895	£3,500
1804	5,290	£40,000
1805	2,590	
1806 (to Oct)	2,200	
Total	30,967	£44,500

Sources: Fitton and Wadsworth, p. 282.

Business correspondence of Sandeman & Co and Offley & Co suggests that British merchants operating in Portugal acted as intermediaries on the Lisbon cotton market between their British clients and Portuguese merchants operating in Luso-Brazilian trade. Neither Sandeman's nor Offley's papers suggest that the merchants had well-established direct links with planters or merchants in Brazil prior to 1807.⁹⁰ A letter written by a London merchant Thomas Evans to Bolders, Adey, Lustington & Bolders of London in 1792 alluded to the fact that the firm Evans, Offley & Sealy of Lisbon purchased cotton on the Lisbon market rather than importing cotton from Brazil themselves:⁹¹

22 August 1792

Gentlemen,

We consume a considerable quantity of Brazil Cotton Wool which we have hitherto bought in London. We have received applications from Messrs. Bearsley & Webb of Oporto and also from Messrs. Evans Offley & Sealy of Lisbon to purchase it for us in Portugal. We are told that Evans keeps his cash at your house and that Mr Sealy the man who has the care of purchasing the Cotton at Lisbon was brought up under Mr. Evans and is

same period, published in the *Morning Chronicle*, 14 Jan 1808, it suggests that the firm handled about 9 percent of all the Brazilian cotton imported into Britain in the early nineteenth century.

⁹⁰ Apart from a transaction with one Joze Marcellino Goncalvez of Brazil worth £145, no other records suggest Sandeman had direct trading contacts in Brazil, Ledger, 1800-1806, Sandeman, Sons & Co, CLC/B/196/MS08643, LMA.

⁹¹ Fitton and Wadsworth, pp. 278-279.

known to you; it is proper for us to endeavour to find men of fidelity and attention being unable to have any check upon them except that of putting a stop to the connection. If it is not attended with much trouble to you to make the enquiry we shall be obliged to you to learn & inform us who are the most likely Houses for the purpose of purchasing Cotton in Portugal, and any other circumstances that may occur respecting the probability of it answering a good purpose to us.

Thos. Evans

Since payment for cotton shipments in goods, specie, and foreign bills of exchange was difficult in the Anglo-Portuguese trade, British Lisbon-based and London-based merchants provided an important service to Liverpool cotton importers. As Sandeman's order book shows, the merchant calculated the price and relevant charges like shipping insurance in Portuguese *reis* and re-calculated the transaction for his British clients in pounds sterling based on the prevailing exchange rate.⁹² Dealing on the Lisbon market, Sandeman and other Lisbon-London merchants could negotiate the price of cotton, barter for its value in British goods or specie and pay, either directly, or keep an account with the Portuguese merchant to settle sometime in the future. Additionally, operating in London, England's biggest port and financial centre, gave these merchants access to an assortment of goods, specie, and bills of exchange to exact the transaction and ship the relevant form of payment to the merchants operating in the Luso-Brazilian trade.

Customarily, Liverpool importers instructed British firms to purchase cotton in Lisbon based on market prices and the prevailing exchange rate. For example, Thomas & William Earle of Liverpool asked Offley & Co, in a letter dated 23 April 1803 "to purchase 100 bags of Pernambuco and Maranhão cotton on their account if the prices did not exceed 300 [reis per lb.] for the former and 230 [reis per lb. for] the latter."⁹³ Other merchants gave alternative purchase strategies based on the price of cotton and the exchange rate. Manchester cotton merchant Robert Rider gave Sandeman & Co an order on the 3 March 1800 to buy twenty-five bags of Maranhão cotton at 380 *reis* per lb. or fifty bags if the exchange rate was at a favourable rate of sixty-five.⁹⁴ Sandeman and Offley then carried out the instructions, purchasing cotton on the Lisbon market, and charging relevant fees for insuring and organising shipments of cotton, as well as a

⁹² Wine and Cotton Order Book, 1792-1809, Sandeman and Sons & Co, CLC/B/196/MS08645, *LMA*.

⁹³ Offley & Co to Thomas & William Earle, 23 April 1803, Letterbook, 1801-1804, Offley & Co, *Ferreira Archives*.

⁹⁴ Wine and Cotton Order Book, 1792-1809, Sandeman and Sons & Co, CLC/B/196/MS08645, *LMA*.

three percent commission for their service.⁹⁵ When British houses completed the purchase in Lisbon, Liverpool importers were expected to pay in full, usually giving instructions for the bill to be drawn on major London merchants and bankers.

British firms operating in London and Lisbon as intermediaries in the Anglo-Portuguese cotton trade created an opportunity for Lancashire cotton dealers and manufacturers to circumvent the traditional services and networks associated with maritime-merchants in Liverpool and procure cotton directly from London and Lisbon-based firms. It was well known that some Lancashire cotton manufacturers and dealers occasionally procured cotton directly from Portugal in the late eighteenth and early nineteenth century. For example, large cotton manufacturers, the Strutts, directly bought Brazilian cotton in 1794-1809 from the Lisbon-London firms Joseph Lyne & Co, Evans, Offley & Sealy, and George Sandeman & Co.⁹⁶ The extent of this direct trade between Lancashire merchants and Lisbon-London firms, however, went well beyond occasional purchases. Sandeman & Co's cotton orders for 1797-1806 suggests that most of the Liverpool-Portugal cotton trade prior to 1807 was organised between Lisbon-based merchants and Lancashire inland cotton dealers and large manufacturers rather than Liverpool maritime merchants. Only on one occasion in 1797-1806 did a Liverpoolian—William French—order cotton from Sandeman & Co.⁹⁷ Instead, as historians Fitton and Wadsworth noted, Sandeman clients were “some eighty-odd [cotton] spinners”, many of them also cotton dealers in the British textile centres, such as Robert Rider and Holland & Garnside of Manchester.⁹⁸

⁹⁵ For example, in 1788, Offley & Co charged Robert Pasley 2834\$740 reis for eighty-nine bags of Pernambuco cotton, of which 93\$554 reis was for miscellaneous charges and 87\$846 reis was commission, or about 3 percent of the value of cotton purchased. Another example was Benjamin Gault who purchased ten bags of cotton from the firm and was charged 271\$760 as the purchase amount, 12\$442 of miscellaneous charges—usually services like storage and handling—and 8\$530 as a commission on the transaction. Waste Book, 1786-1789, Offley & Co, *Ferreira Archives*; Sandeman did not record commission from the cotton trade in his order book, 1792-1809. Examples of commission charged for cotton sales are hidden among his ledger entries 1800-1806. On 25 August 1802 Sandeman charged £7 2s commission on an order of 142 bags of Pernambuco cotton shipped to Sketchley, Handley & Co of Newark on the ship *Concord*. Unfortunately, Sandeman did not record the total value of the order. Instead a calculation taken from the order received by the same firm on the *Hull* for 60 bags of Pernambuco cotton at the same price of 320 reis and the same exchange of 68.5, with a total value of value of £754 7s3d suggests the order of 142 bags was worth about £1,800. Sandeman's therefore, received a commission of about four percent for the order. Assuming Sandeman, like other British commission agents, charged based on the amount of the purchase, not including charges for freight and insurance and other miscellaneous services, which are included in the estimation of £1,800, it is likely that the commission rate charged by Sandeman was closer to three percent. Wine and Cotton Order Book, 1792-1809, Sandeman and Sons & Co, CLC/B/196/MS08645, *LMA*.

⁹⁶ Fitton and Wadsworth, p. 282.

⁹⁷ Wine and Cotton Order Book, 1792-1809, Sandeman and Sons & Co, CLC/B/196/MS08645, *LMA*; William French received that twenty bags of cotton order the same year on the ship *Cygnat* from Portugal recorded in *Billinge's General Advertiser*, 14 October 1799, LCD.

⁹⁸ Fitton and Wadsworth, p. 282.

Sandeman and other Lisbon-operating British merchants shipped cotton, ordered by Lancashire dealers and manufacturers, to Liverpool where agents, usually brokers of Lancashire men, supervised its entry into Liverpool and transshipment to the inland textile centres. For example, Derbyshire cotton manufacturers Evans, Walter & Co gave instructions to Sandeman in 1801 to consign their fifty bags of Pernambuco cotton to a Liverpool broker and merchant George Marsden.⁹⁹ Sandeman consigned Strutts' cotton orders in 1802 to broker Nicholas Waterhouse, while Rochdale cotton dealer John Walmsley asked for his cotton to be consigned to Liverpool brokers Holt & Davis.¹⁰⁰ For this service, Liverpool brokers charged the standard ½ percent brokerage fee or no commission—the latter, likely intended as a goodwill gesture to attract business from the client when they wished to deal on the Liverpool market.¹⁰¹

Analysing the top Liverpool importers of Brazilian cotton from Portugal in 1784-1802 further demonstrates the power of Lancashire merchants and manufacturers as cotton importers in Liverpool. At least seven of the fifteen top Liverpool cotton importers from Portugal operated as cotton brokers; many of them, like Holt & Davis, Nicholas Waterhouse, and George Marsden, were agents for Lancashire dealers and manufacturers that appeared in Sandeman's cotton order book. Additionally, two Manchester firms—Harrison & Nephew and Dauntsey, Hulme & Co—appeared as major Liverpool cotton importers from Portugal in the 1790s (Table 2.5).

A small group of Liverpool merchants followed the initiative of Lancashire firms and established networks with Lisbon-operating firms to procure cotton for the Liverpool market. Liverpool houses Thomas & William Earle, Iver McIver & Co., and Pudsey & Richard Dawson imported cotton from Lisbon on their own account, selling it on the Liverpool market.¹⁰² It is also important to note that a different group of men conducted Liverpool's cotton trade with Portugal, compared to the wine the port's wine trade with Portugal.¹⁰³ Although major Brazilian cotton importers in Liverpool received small shipments of wine from Portugal, they did not operate wine vaults in Liverpool; their major mode of operations as importers in the late eighteenth century Portuguese trade was to procure cotton for the Liverpool market.

⁹⁹ Wine and Cotton Order Book, 1792-1809, Sandeman and Sons & Co, CLC/B/196/MS08645, *LMA*.

¹⁰⁰ Wine and Cotton Order Book, 1792-1809, Sandeman and Sons & Co, CLC/B/196/MS08645, *LMA*.

¹⁰¹ Fitton and Wadsworth, p. 283.

¹⁰² The Earles and the Dawsons were major clients of Nicholas Waterhouse, Liverpool broker, suggesting the two firms purchased cotton on their own account to sell on the Liverpool market, assuming the two firms adhered to the established system of cotton procurement, Waterhouse Ledger, 1799-1802, MS25.54, *LUSCA*.

¹⁰³ See Appendix D.

Table 2.5: Top fifteen Liverpool cotton importers from Portugal, 1784-1802.

Consignee	Amount lbs.	Occupation
Holt & Davis	5,126,733	broker
Thomas & William Earle	2,744,979	merchant
Geoffrey Goring	2,466,590	broker
Ewart, Rutson & Co	1,819,465	broker
Nicholas Waterhouse & Co	1,814,288	merchant*
George Marsden	1,631,924	merchant*
Iver McIver & Co	1,600,194	merchant
Harrison & Nephew	1,307,109	Manchester merchant
Henry Norris	1,120,236	cotton broker
Dauntsey Hulme & Co	1,117,039	Manchester merchant
John Theodor Koster	945,888	merchant
Thomas Smith & Nephew	908,814	merchant
Daniel Whittaker	902,134	broker
Pudsey & Richard Dawson	847,692	merchant
Robert Jackson	846,857	merchant

Sources: Krichtal, Liverpool Cotton Database, 1752-1815; *Gore's Liverpool Directories*, 1790, 1800, 1803; Dumbell, Stanley, 'Early Liverpool Cotton Imports and the Organisation of the Cotton Market in the Eighteenth Century', pp. 362-373.

* - Known to also operate as a cotton broker

Of these minor wine importers, the house of Thomas & William Earle was the most prominent in Liverpool's Portuguese cotton trade. The Earles first established connections in western Europe and the Iberian wine trade under John Earle of Warrington, a Liverpool wine and general merchant in the early eighteenth century.¹⁰⁴ His sons, Thomas (1719-1781) and William (1721-1788), expanded the family's merchant networks in Europe, operating as large general merchants in Liverpool and establishing themselves in Leghorn and Genoa. After the death of both partners, William's sons Thomas (1754-1822) and William (1760-1839) took over the partnership and carried it on under the same name. The house occasionally imported Turkish cotton via Leghorn from at least 1769.¹⁰⁵ By 1795, with increased demand for cotton in Britain, the Earles were well aware of Manchester manufacturers' needs for raw cotton supplies and markets for textile exports. In 1794, for instance, the Earles represented Liverpool interests in meetings with the Manchester Commercial Society regarding disruptions in shipping organisation to Western Europe and the

¹⁰⁴ Thomas A. Earle, 'Earle of Allerton Tower, 1889', *Transactions of the Historical Society of Lancashire and Cheshire*, Vol. 42, 1890, pp. 30-31.

¹⁰⁵ LCD.

Mediterranean caused by the outbreak of Anglo-French hostilities in 1793.¹⁰⁶ Acquainted with cotton manufacturers and British firms in Portugal, the Earles received cotton consignments from Portugal in 1790, importing 2.7 million lbs. into Liverpool by 1803.¹⁰⁷

Incentives for Liverpool merchants entering the cotton trade were weighed against the high capital barriers of entry. The Earles followed the same pattern of cotton procurement as Lancashire dealers. They obtained the services of British firms operating in Lisbon, such as Offley & Co, to purchase cotton outright on the Lisbon market. Being one of the bigger Liverpool houses, the Earles could carry out a high volume trade on their own account.¹⁰⁸ Since most Liverpool firms did not possess large capital reserves, few Liverpool merchants could operate in the Liverpool-Portugal cotton trade in any large volume. The inability of Liverpool merchants to procure Brazilian cotton created a middleman bottleneck between Lancashire manufacturers demanding ever more raw cotton and a growing supply of Brazilian cotton arriving annually into Lisbon warehouses. The more energetic and less risk-averse group of Lancashire dealers and manufacturers saw an incentive to enter the trade themselves, purchasing cotton from British firms operating in Lisbon. Since it was customary for Lancashire dealers and manufacturers to purchase cotton outright on the Liverpool market, as Lisbon based firms expected their British clients to do so on the Portuguese market, many Lancashire firms saw the incentive of circumventing another middleman—the Liverpool merchant—in the process.

The Anglo-French hostilities from February 1793 curtailed direct cotton importation from Lisbon by Lancashire manufacturers and dealers. The conflict, which stretched to 1815, made direct trade between Lisbon and Liverpool more risky as fewer Lancashire dealers and manufacturers were willing to continue, expand, or enter the importation business in the first place. For instance, in the late eighteenth century, Derbyshire cotton manufacturers the Evanses, like the Strutts, on occasion imported cotton from Lisbon.¹⁰⁹ Sandeman's order book records sales of 85 bags of cotton to the Evanses in 1798-1799 and 150 bags in 1800.¹¹⁰ By 1801, the Evanses expressed

¹⁰⁶ Redford and Clapp, p. 29.

¹⁰⁷ LCD.

¹⁰⁸ The personal estate of Thomas Earle was valued in 1822 under £70,000 and the estate of William Earle in 1839 was under £45,000, Pope, p. 168; additionally, the Earles overcame the financial obstacle of operating on one's own account by obtaining large credit sums from their broker Nicholas Waterhouse, see Francis E. Hyde, Bradbury B. Parkinson, and Sheila Marriner, 'The Cotton Broker and the Rise of the Liverpool Cotton Market', *Economic History Review*, Vol. 8, 1955, pp. 77-78.

¹⁰⁹ Lindsay, pp. 282-283; Fitton and Wadsworth, pp. 279.

¹¹⁰ Wine and Cotton Order Book, 1792-1809, Sandeman and Sons & Co, CLC/B/196/MS08645, LMA.

pessimism regarding expanding their Brazilian cotton importation ventures. On 1 January 1801, Walter Evans & Co, writing to their Brazilian cotton agent, Sandeman & Co, noted that:

As we have neither knowledge nor leisure to conduct the business of importing our Cottons, we should certainly wish to decline it, unless it can be done upon a very secure footing...¹¹¹

Evanses' Brazilian cotton orders could arrive in Liverpool damaged, of a lower quality than expected, or lost completely in the shipping process. Shipping insurance would cover most of the losses, and Evanses' Liverpool agents would attempt to rectify quarrels regarding damage or malpractice on the part of shippers and Lisbon merchants, but the risk associated in receiving a large amount of cotton below expected quality, combined with unfavourable changes to cotton prices on the British market could seriously damage the potential profits of a Lancashire cotton dealer or spinner. Therefore, the risks associated with cotton importation from Portugal convinced the cotton manufacturing firm to decrease their orders from Sandeman to only 50 bags in 1801 and none in 1802-1804.¹¹²

Liverpool cotton consignee data further illustrates the drop in cotton importation by Lancashire dealers and manufacturers in the early nineteenth century. A common practice developed whereby Lancashire men gave instructions to Sandeman & Co to consign cotton entering Liverpool on 'order' or giving the firm the name of their Liverpool agent.¹¹³ Although not a perfect measurement as to the power of Lancashire men in Liverpool's cotton trade, the percentage of Brazilian cotton shipments consigned on 'order' in Liverpool decreased from 29 percent in 1784-1802 to 16 percent in 1804-1815, suggesting a decrease in cotton importation by Lancashire dealers and manufacturers in the early nineteenth century.¹¹⁴ Additionally, based on Sandeman's wine and order book, Lancashire men asked for their shipments to be consigned to at least four cotton brokers in Liverpool: Holt & Davis, Ewart, Rutson & Co, Nicholas Waterhouse, and George Marsden—four of the top six Brazilian cotton importers in Liverpool in 1784-1802.¹¹⁵ Despite still operating in Liverpool by 1813, none of these

¹¹¹ Fitton and Wadsworth, p. 282.

¹¹² Wine and Cotton Order Book, 1792-1809, Sandeman and Sons & Co, CLC/B/196/MS08645, *LMA*.

¹¹³ For example, Daintry, Ryle & Co of Macclesfield gave instructions to Sandeman & Co in 1802 for their fifty bags of cotton to be sent to order; other examples include Alsop, Robert & Co of Bolton in 1800, and Robert Rider of Manchester in 1801, Wine and Cotton Order Book, 1792-1809, Sandeman and Sons & Co, CLC/B/196/MS08645, *LMA*.

¹¹⁴ This is compared to North America with 7.7 percent, Portugal with 9 percent, and West Indies with 6.6 percent, LCD.

¹¹⁵ Wine and Cotton Order Book, 1792-1809, Sandeman and Sons & Co, CLC/B/196/MS08645, *LMA*; LCD.

brokers appeared in the top fifteen ranking of Brazilian cotton importers in 1803-1815, further suggesting that Lancashire men were less willing or able to import cotton from Portugal directly.¹¹⁶

Napoleon's invasion of Portugal in 1807 accelerated the withdrawal of Lancashire dealers, manufacturers, and older Liverpool firms from the port's Brazilian cotton importing business. By 1808, the Brazilian cotton trade no longer flowed through Lisbon; instead it was conducted directly between Liverpool and Brazilian ports. Lancashire dealers and manufacturers, found it difficult to procure cotton from Brazil directly, especially when the expansion of the Liverpool cotton trade attracted a group of more specialised and better positioned merchants that successfully outcompeted old Liverpool Brazilian cotton importers. Mainly British merchants—many Lisbon-based merchants who acted as cotton middlemen before 1807—established houses in Brazilian ports and Liverpool, successfully taking over business from Lancashire men and established Liverpool importers like the Earles. By 1815, the cotton trade, largely unrestricted by Portuguese navigational laws, was conducted, more directly between Brazil and Liverpool.

John Theodor Koster was the first of the Lisbon-London based merchants to establish himself as a major cotton importer in Liverpool. In the mid-1770s, Koster first operated as a merchant in London, moving to Lisbon in the 1780s. Admitted to the Lisbon factory on 29 August 1785, he rose through the ranks of the factory, becoming a British Consul there in 1794.¹¹⁷ With the expansion of the Brazilian cotton trade and the rise of Liverpool as a cotton port, Koster established operations in Liverpool by 1802 and began importing Brazilian cotton in large volumes from Lisbon.¹¹⁸ As a major merchant with business networks in Portugal, Koster had little difficulty procuring cotton from Lisbon firms and undercutting older Liverpool competitors like the Dawsons and the Earles. Operating in Liverpool from 4 Anne Street, Richmond by 1803, Koster expanded his cotton shipments to become the biggest Liverpool importer of Brazilian cotton, importing at least 6.8 million lbs. in 1803-1815 (Table 2.6).¹¹⁹

Other British Lisbon-based merchants soon followed Koster, organising Liverpool firms and undercutting older Liverpool houses. Charles and Joseph Lyne,

¹¹⁶ All four brokerage firms appeared in *Gore's Liverpool Directory*, 1813; LCD.

¹¹⁷ S. G. Checkland, 'John Koster, Anti-Bullionist', *Manchester School*, May 1952, p. 176; Walford, p. 72.

¹¹⁸ LCD.

¹¹⁹ *Gore's Liverpool Directory*, 1803.

admitted into the Lisbon factory in May 1795,¹²⁰ operated under Joseph Lyne & Co as cotton agents in Lisbon for Liverpool importers in the late eighteenth and early nineteenth centuries.¹²¹ By 1805, they established a Liverpool branch under Lyne, Hathorn & Co, importing 5.4 million lbs. of cotton in 1803-1815.¹²² Others included Thomas Fournis Dyson, a member of the Lisbon factory in 1794, operating under Dyson, Brothers & Co in Liverpool by 1809, and George Roach, a Lisbon factory member in 1789, and also operating in Liverpool by 1809.¹²³ The Lynes, Dysons, and Roach successfully established branches in Liverpool and became some of the biggest Brazilian cotton importers in Liverpool in the early nineteenth century.

Table 2.6: Top fifteen Liverpool cotton importers from Portugal and Brazil, 1803-1815

Consignee	Amount lbs.		Total	(A)	(B)
	Brazil	Portugal			
John Theodor Koster & Co	4,045,074	2,767,011	6,812,085	Y	-
Lyne, Hathorn & Co	2,721,933	2,636,262	5,358,195	Y	-
John Hancock & Co	3,326,820	0	3,326,820	-	-
Costa, Guimarães & Co	2,756,168	320,139	3,076,307	-	Y
Harrison & Latham	1,882,257	1,101,198	2,983,445	-	Y
Dyson Brothers & Co	2,165,699	433,365	2,599,064	Y	Y
George Roach & Co	1,336,159	389,444	1,725,603	Y	-
Carvalho & Fortunatto	1,469,934	143,286	1,613,220	-	Y
Haworth & Peel	1,445,385	0	1,445,385	-	-
A. Van Zellar & Co	809,782	326,986	1,136,768	-	-
F. Haywood & Co	406,144	642,115	1,048,259	-	-
Stack, Lynch & Hore	445,055	546,758	991,813	-	-
John & Robert Gladstone	845,688	0	845,688	-	-
Antonio Martins Pedra & Co	749,329	76,152	825,481	-	-
Samuel Holland & Co	738,474	68,971	807,445	-	-

Sources: Krichtal, Liverpool Cotton Database, 1752-1815; *Gore's Liverpool Directory*, 1803, 1813; Walford, pp. 71-75; Krichtal, Liverpool Merchant Database.

(A) – Partner known to be part of the Lisbon factory 1770-1815; (B) – Known to operate a branch in Brazil c. 1815

In Brazil, well-capitalised British merchants outcompeted Portuguese and foreign rivals to control the Liverpool cotton trade with Rio de Janeiro, Bahia, and Pernambuco. The number of English firms established in Rio de Janeiro before 1815 is indicative of British merchant dominance in the port's trade. For example by 1811—

¹²⁰ Walford, p. 73.

¹²¹ Fitton and Wadsworth, p. 282.

¹²² LCD.

¹²³ Walford, pp. 72-73; LCD.

only three years after the opening of Brazilian trade to foreigners—Rio de Janeiro had 75 English commercial establishments.¹²⁴ Former Lisbon and newly-based Liverpool merchants Dyson, Brothers & Co. were known to operate in Rio de Janeiro c. 1814 as general merchants.¹²⁵ In Bahia, ten British firms controlled 79 percent of all exports and 84.5 percent of all imports destined for Britain.¹²⁶ Harrison & Latham, the fifth biggest importer of Brazilian cotton in Liverpool, operated under the same name by 1819 as one of the major import-export British firms in Bahia and under William Harrison & Co in Rio de Janeiro c. 1814.¹²⁷ In Pernambuco, although no studies have been done to estimate the power of British merchants, a travelling account by Henry Koster in 1809-1815, son of Liverpool merchant John Theodor Koster, noted a substantial British merchant community in Recife, the major cotton port in Pernambuco.¹²⁸

By contrast, few British merchants operated in Maranhão before 1815. The political and economic environment of the northern region restricted British power in São Luís, the principal cotton port of the region. For example, the despotic rule and unfriendliness of the Governor of Maranhão towards Englishmen was pointed out to Henry Koster by a Portuguese friend upon arriving in São Luís.¹²⁹ Koster was left with an impression that the port's cotton trade was in the hands of a few wealthy Portuguese merchants and planters like Colonel José Gonçalves da Silva and Simplicio Dias da Silva, the latter a sub-governor of Parnaíba, a smaller port east of São Luís.¹³⁰ Both were wealthy men and likely part of the governor's inner circle, the former increasing his fortune in the cotton trade, and possessing between 1,000 and 1,500 slaves.¹³¹ British firms found it difficult to enter the São Luís trade and operate on their own account when an oligarchy of wealthy and politically powerful merchants and planters controlled the port's cotton trade. Instead, as Koster noted, São Luís had only two English merchants established, and "the commercial transactions of British houses of trade were entrusted chiefly to Portuguese merchants of the place."¹³² Liverpool importers who received large cotton shipments from Maranhão, like John Theodor Koster and the Dyson brothers, likely relied heavily on Portuguese subjects and the few

¹²⁴ Manchester, p. 76.

¹²⁵ LCD.

¹²⁶ Lousie Guenther, 'The British Community of Bahia, Brazil, 1810-1823', in Oliver Marshall (ed.), *English-Speaking Communities in Latin America*, (London: MacMillan Press, 2000), p. 37.

¹²⁷ LCD; Guenther, p. 37.

¹²⁸ Koster, p. 12.

¹²⁹ Koster, p. 173.

¹³⁰ Koster, p. 174.

¹³¹ Koster, p. 174.

¹³² Koster, p. 182.

British subjects operating in the region, like Robert Hesketh c. 1817 and Sealy, Walker & Duncan c. 1819.¹³³

By 1815, Portuguese firms operating in Brazil and Liverpool controlled a sizable portion of the cotton trade with Maranhão. Of particular importance, the firm of Costa, Guimarães & Co operated in Liverpool from 1809, importing more than 3.1 million lbs. of Brazilian cotton.¹³⁴ Antonio Julico Da Costa and Manuel Rilairo Guimarães operated the firm c. 1814 from 10 Goree Piazzas, Liverpool, while the firm's partners Carlos Lucena Mendes and João Gaudentio Da Costa operated the branch in Maranhão.¹³⁵ The firm imported almost 85 percent of all cotton from Maranhão.¹³⁶ Two other Portuguese firms and major Brazilian cotton importers in Liverpool by 1811—António Martins Pedra & Co and Carvalho & Fortunatto—also received more than 75 percent of their cotton from Maranhão.¹³⁷

Liverpool importers, whether British or Portuguese, trading directly with merchants in Brazil operated both as commission agents and purchased cotton on their own account. An example of such operations is found from the records of a British merchant, John Luccock, examined by Herbert Heaton. Originally from Yorkshire, Luccock finished his apprenticeship in the textile industry and married into the wealthy and influential Lupton family from West Riding, who specialised in trade with the United States and Lisbon.¹³⁸ The Luptons kept a member of the family in Lisbon, but when the Portuguese court fled to Brazil in 1807 Luccock was sent to Rio de Janeiro, where he set up an export and import business, sending cotton among other Brazilian produce to Liverpool.

As a general merchant in the export-import trade in Rio de Janeiro during 1808-1818, Luccock paid for his British imports with bills of exchange, drafts in Rio de Janeiro, gold bullion, and Brazilian commodities.¹³⁹ Each form of payment had its own difficulties but the shipment of Brazilian commodities proved most profitable, especially when prices for Brazilian commodities were high in Britain. Luccock organised cotton shipments to Liverpool and operated as a commission merchant for British clients and Brazilian planters as well as shipping cotton on his own account, especially during 1811-1814, when American cotton supplies were cut off and Brazilian

¹³³ See Sandeman's Merchant bankers ledger, 1817-1819, CLC/B/196/MS08647, LMA; LCD.

¹³⁴ LCD.

¹³⁵ LCD; *Gore's Liverpool Directory*, 1813.

¹³⁶ LCD.

¹³⁷ LCD.

¹³⁸ Heaton, p. 2.

¹³⁹ Heaton, p. 17.

cotton was more in demand.¹⁴⁰ Other British firms, like Luccock, likely adhered to the commission system both for British and Portuguese clients, sending cotton to Liverpool as agents working on a commission, as payment for manufactured goods, or on their own account. The system of cotton procurement by Liverpool importers after the opening of the Brazil trade by 1815, therefore, was more balanced between work on commission and purchases on one's own account compared to when the cotton trade flowed through Lisbon, prior to 1807.

The Liverpool and Portugal cotton trade developed in the late eighteenth century from established patterns of commerce in the Anglo-Portuguese and Luso-Brazilian trades. Because Portuguese navigation laws restricted British merchants operating in the Luso-Brazilian trade, Liverpool importers relied heavily on British merchants operating in Lisbon as agents to purchase cotton on the Portuguese market. Unlike in the West Indies, where cotton was largely organised on a commission system, Liverpool importers procured cotton by purchasing it outright from Lisbon-based merchants. Thus, only well-capitalised Liverpool firms, with networks in Lisbon and Oporto, could afford to operate in large volume. The inability or unwillingness of Liverpool merchants to invest into the trade during a period of great political instability explains why the Brazilian cotton trade was organised between Lancashire cotton dealers and cotton manufacturers operating as importers in Liverpool, and Lisbon-based British firms as agents in Portugal. By 1815, however, a new group of Liverpool merchants replaced the old importers and established direct trade between Liverpool and Brazil; several were Portuguese subjects and former British Lisbon-based firms with networks and branches in Brazilian ports.

The organisation of trade between Liverpool and the southern United States, the final cotton frontier in the Atlantic basin, developed from its own unique historic circumstances. It expanded from pre-existing networks prior to the cotton boom of the 1790s and social, political, and economic developments in Britain and in the greater Atlantic economy in the late eighteenth century. The American Revolutionary War and its effect on restructuring the merchant community in southern United States ports combined with a rapid expansion of cotton cultivation created an economic environment where Liverpool merchants, wanting to procure cotton, relied heavily on merchants

¹⁴⁰ Heaton, p. 22.

residing in both southern and northern United States. In turn, as the volume of the trade increased, older Liverpool firms operating in North America increasingly had to compete with an influx of new merchants operating outside of Liverpool.

Liverpool merchants had created well-established networks across the eastern seaboard of the United States before the cotton boom of the 1790s. During the eighteenth century, the thirteen colonies provided Liverpool merchants with raw materials such as timber, tobacco, indigo, foodstuffs such as rice, flour, and markets for Lancashire manufactured goods, provisions, and African slaves. For instance, William Rathbone III, a prominent Liverpool merchant, established networks with Boston merchants in 1757-1780 to procure timber for Liverpool's ship building industry.¹⁴¹ He also received regular shipments of American produce from Charleston, Savannah, Philadelphia, and New York.¹⁴² Whereas Rathbone operated as a general merchant, other Liverpool merchants specialised more in a particular trade, such as Foster Cunliffe & Sons operating in the Chesapeake tobacco trade.¹⁴³ In the southern colonies, Liverpool slave traders like the Heywoods, Hodgsons, and the Earles established business networks with Charleston and Savannah elites, who, linked by marriage, blood, and business, monopolised trade in the southern ports in the 1760s and 1770s.¹⁴⁴ Charleston, the major slave market in North America, received at least 102 Liverpool slaving vessels, disembarking 25,739 slaves in 1731-1774.¹⁴⁵ By 1774, some Liverpudlians, like William Moss in Savannah, established houses in the American colonies and acted as agents for Liverpool firms back home.¹⁴⁶ Thus by 1775, several Liverpool merchants had established trading networks in major British colonial ports in the thirteen colonies.

The American Revolutionary War (1776-1783) temporarily severed trade between Liverpool and the American colonies. As a Loyalist, William Moss fled Savannah in March 1776 to St. Augustine, Florida, never returning to Savannah.¹⁴⁷

¹⁴¹ Lucie Nottingham, *Rathbone Brothers: From Merchant to Banker 1742-1992*, (London: Rathbone Brothers, 1992), p. 9.

¹⁴² LCD.

¹⁴³ John W. Tyler, 'Foster Cunliffe and Sons: Liverpool Merchants in the Maryland Tobacco Trade, 1738-1765', *Maryland Historical Magazine*, Vol. 73, No. 3, 1978, pp. 246-279.

¹⁴⁴ Fraser, p. 111; Paul M. Pressly, 'The Northern Roots of Savannah's Antebellum Elite, 1780s-1850s', *Georgia Historical Quarterly*, Vol. 87, No. 2, Summer 2003, pp. 158-176.

¹⁴⁵ Savannah remained a small Trans-Atlantic slave trade centre compared to Charleston, receiving only ten slaving voyages from Liverpool in 1766-1774, Trans-Atlantic Slave Trade database, www.slavevoyages.org.

¹⁴⁶ William I. Roberts, 'The Losses of a Loyalist Merchant in Georgia During the Revolution', *Georgia Historical Quarterly*, Vol. 52, No. 3, September 1968, pp. 270-276.

¹⁴⁷ Roberts, p. 274.

Liverpool slaving merchants stopped sending slaving vessels to the thirteen colonies.¹⁴⁸ Rathbone and other Liverpoolians operating with northern colonies received fewer imports from the American colonies as the number of vessels entering Liverpool from the region shrunk. For example, in 1774, the *Manchester Mercury* recorded fifty-five vessels arriving in Liverpool from the thirteen American colonies.¹⁴⁹ Two years later, with the introduction of the Anglo-American hostilities, the newspaper recorded only three vessels entering from the colonies and only one in 1781.¹⁵⁰ The trading slump continued until the cessation of hostilities by September 1783.

Large Liverpool merchants like the Rathbones, who weathered the storm of bankruptcies and bad debts caused by the war, re-entered trade with the United States in 1784. In the same year, Liverpool merchants like Sparling & Bolden and John Backhouse again began receiving tobacco shipments from the Chesapeake.¹⁵¹ Liverpool slaving merchants Thomas & John Hodgson outfitted slaving voyages to Charleston, sending four vessels in 1784-1785.¹⁵² From 1785, William Rathbone III again received shipments of North American commodities for Liverpool's shipping industry.¹⁵³ The pre-war volume of trade between the former thirteen colonies and Liverpool quickly recovered. In 1784, the *Manchester Mercury* recorded thirty-nine vessels arriving from the United States, only slightly lower than the port's pre-1775 shipping volume.¹⁵⁴ Large Liverpool merchants re-established contacts and continued to trade with the newly formed nation in the 1780s.

The vacuum left in the American south by bankruptcies, fleeing pro-English merchants, and the expansion of cotton cultivation from the early 1790s resulted in Liverpool merchants dealing increasingly with a new group of merchants, who established themselves in the southern United States ports. As Frederic C. Jaher noted, the major traders of cotton in Charleston by 1809 were not merchants from old Charleston families, but instead from England and Scotland.¹⁵⁵ For instance, one estimate suggests that only one of twenty-one major trading firms operating in

¹⁴⁸ Trans-Atlantic Slave Trade Database, www.slavevoyages.org.

¹⁴⁹ Calculated from the *MMHGA* for the year 1774.

¹⁵⁰ Calculated from the *MMHGA* for the years 1776 and 1781.

¹⁵¹ For example, see *MMHGA*, 4 October 1774 and 15 June 1784; M. M. Schofield, 'The Virginia Trade of the Firm of Sparling and Bolden, of Liverpool, 1788-99', *Transactions of the Historic Society of Lancashire and Cheshire*, Vol. 116, 1964, pp. 117-165.

¹⁵² Trans-Atlantic Slave Trade Database, www.slavevoyages.org.

¹⁵³ For example see *MMHGA*, 26 July 1785.

¹⁵⁴ Calculated from the *MMHGA* for the year 1784.

¹⁵⁵ Frederic C. Jaher, *The Urban Establishment: Upper Strata in Boston, New York, Charleston, Chicago, and Los Angeles*, (Urbana: University of Illinois Press, 1982), p. 337.

Charleston in 1795-1820 was owned or managed by a native Carolinian.¹⁵⁶ In Savannah, a number of merchants settled in the city, some intermarrying with the older wealthy families of the city, increasingly dominating the port's import-export trade after the Revolutionary War.¹⁵⁷ Many of them were former merchants operating in northern ports like Philadelphia and New York while others arrived recently from England and Scotland.¹⁵⁸ A combination of new entrants, being well-capitalised with good business networks, and a social stigma put on maritime trade by the South's elite gentry families resulted in the re-organisation of the southern merchant community in the late eighteenth and early nineteenth century, especially evident in Charleston.¹⁵⁹

New Orleans, although not a possession of the United States until 1803, also experienced a wave of new merchant-immigrants. A sample of 149 New Orleans businessmen in 1803-1815 suggests that 22 percent of these firms established operations in the port in 1800-1803, and another 59 percent of firms were established from 1804 onwards.¹⁶⁰ The old merchant community was largely French with a few Americans, but the influx of merchants in 1801-1803 brought to New Orleans more Americans, some Scottish and, in later years, a number of European firms.¹⁶¹

A rapid expansion of cotton cultivation in the south from 1795 resulted in the development of a cotton factorage system between the cotton planter and his port agent. The organisation of the inland United States cotton trade has been analysed by early twentieth century historians like Alfred H. Stone and more recently by historians such as Harold D. Woodman.¹⁶² The traditional system of cotton planters hauling cotton by flatboats or wagon into Charleston, Savannah, and New Orleans to be sold directly to the local merchant or in exchange for manufactured goods proved too cumbersome, evolving into a factorage system where planters relied on agents stationed in coastal ports who sold and organised shipment of cotton to Liverpool and other Atlantic ports.¹⁶³ Coastal factors charged a commission for services provided to southern clients

¹⁵⁶ Fraser, p. 182.

¹⁵⁷ Pressly, pp. 158-176.

¹⁵⁸ There is no evidence, however, to suggest that Liverpool merchants took the opportunity of the post American Revolutionary conditions to establish branches in the American south.

¹⁵⁹ Jaher, p. 337.

¹⁶⁰ Clark, *New Orleans*, pp. 332-333.

¹⁶¹ Clark, *New Orleans*, pp. 336-337.

¹⁶² Alfred H. Stone, 'The Cotton Factorage System of the Southern States', *American Historical Review*, Vol. 20, No. 3, April 1915, pp. 557-565; Harold D. Woodman, *King Cotton and His Retainers: Financing and Marketing the Cotton Crop of the South, 1800-1925*, (Lexington: University of Kentucky Press, 1968); ; Harold D. Woodman, 'Itinerant Cotton Merchants of the Antebellum South', *Agricultural History*, Vol. 40, No. 2, April 1966, pp. 79-90.

¹⁶³ Some southern houses purchased cotton themselves and shipped it to Liverpool on their own account, but the majority of transactions were based on a commission system, Woodman, *King Cotton*, pp. 10-12.

such as insurance, storage, wharfage, collection of debts, labour, endorsing and negotiating bills of exchange, providing merchandise as well as organising shipping and credit, and informed their clients of the cotton markets in the Atlantic.

A number of Liverpool houses operating in 1795-1805 moved quickly into the American market by establishing direct trading networks with southern merchant houses. Liverpool merchants Green & Wainwright, James Maury, Ewart, Rutson & Co, Hamilton, Maher & Co, William & Alexander Mein, Robinson, Wilson & Co, and Leigh and Sherlock all received most of their cotton imports from their southern connections. George Green of Green & Wainwright, for example, received more than 3.7 million lbs. of cotton in 1795-1805, almost all of it shipped directly from New Orleans.¹⁶⁴ Green procured cotton by utilising the services of Chew & Relf, one of the biggest merchant houses in New Orleans.¹⁶⁵ The relationship between George Green and Chew & Relf was further solidified by marriage. Green married Jane Clark, sister of a wealthy New Orleans merchant Daniel Clark, who was also a silent partner in the firm's New Orleans house.¹⁶⁶ Acting as agents, Chew & Relf extended Green's network in the south, allowing the merchant to establish and maintain contacts in New Orleans and with large Mississippi planters like William Dunbar.¹⁶⁷

A number of major Liverpool importers of United States cotton were also recent migrants to Merseyside. At least firms of the top fifteen Liverpool cotton importing firms in 1795-1805 did not have a partner who operated in Liverpool before 1791; a number of these merchants arrived in Liverpool during the expansion of American-Liverpool cotton trade at the turn of the century. For instance, the Liverpool firm of William & Alexander Mein, originally Scottish merchants from Savannah, imported at least 1.8 million lbs. of cotton into Liverpool in 1795-1805, almost all of it directly from Savannah.¹⁶⁸ William Mein, having moved to Savannah c. 1795 to establish a firm of Meins, Mackay & Co, partnered with his brother Alexander Mein who organised a Liverpool firm operating in Liverpool by 1803.¹⁶⁹ Fellow merchant Mathias Maher invested in the expansion of the American cotton frontier in Georgia in 1795 before moving to establish a firm in Liverpool a few years later.¹⁷⁰ Partnering with Quinton

¹⁶⁴ LCD.

¹⁶⁵ Clark, *New Orleans*, p. 305

¹⁶⁶ Elizabeth U. Alexander, *Notorious Women; The Celebrated Case of Myra Clark Gaines*, (Louisiana: Louisiana State University Press, 2001), pp. 47-48.

¹⁶⁷ Martha J. Brazy, *An American Planter: Stephen Duncan of Antebellum Natchez and New York*, (Baton Rouge: Louisiana State University Press, 2006), p. 9.

¹⁶⁸ LCD.

¹⁶⁹ LCD; *Gore's Liverpool Directory*, 1803.

¹⁷⁰ LCD.

Hamilton under Hamilton, Maher & Co, he imported into Liverpool at least 2.5 million lbs. of cotton in 1795-1805 (Table 2.7).¹⁷¹

Table 2.7: Top fifteen Liverpool importers of American cotton, 1795-1805.

Consignee	Amount lbs.	Major Supply Port	Partner operating in Liverpool in 1791?
Rathbone, Hughes & Duncan	12,325,140	NY	Y
Green & Wainwright	3,713,360	NO	P
Ewart, Rutson & Co	3,445,860	CHA	Y
Hamilton, Maher & Co	2,521,500	CHA & SAV	N
John Richardson & Co	2,466,300	NY	N
Lees & Rundle	2,374,800	CHA	N
James Maury & Co	2,284,600	SAV	Y
William Barber & Co	2,022,360	PHIL	N
William & Alexander Mein	1,880,760	SAV & CHA	N
John & Adam Lodge	1,806,340	BOS	Y
Cropper, Benson & Co	1,582,500	NY	Y
McIver, McVicar and McCorquodale	1,339,500	CHA	Y
Mann, Barnard & Co	1,210,500	NO	N
Robinson, Wilson & Co	1,140,600	SAV	P
Hobson & Bolton	1,044,360	NY	N
Leigh & Sherlock	948,400	SAV	Y

Sources: Krichtal, Liverpool Cotton Database, 1752-1815; *Gore's Liverpool Directory*, 1790, 1800, 1803, 1813.

Major Supply – at least thirty percent of total cotton imported from the port

NA – North America, NO – New Orleans, CHA – Charleston, SAV – Savannah, NY – New York, PHIL – Philadelphia, BOS – Boston

Y – Yes, N – No, P – Probably

Other major Liverpool-United States cotton importers operated in Merseyside prior to the cotton boom. Merchants and brokers Ewart, Rutson & Co, known to operate as commission agents in Liverpool to dispose tobacco, sugar, and other American and West Indies produce in the 1790s, established networks with Charleston houses and imported almost exclusively from the southern port.¹⁷² Their contemporary, American merchant James Maury, living in Liverpool before 1788, received consignments of American produce, especially tobacco, to sell on the Liverpool market.¹⁷³ A prominent figure in the United States and appointed as an American Consul in Liverpool in 1790,

¹⁷¹ LCD.

¹⁷² LCD.

¹⁷³ For shipments of tobacco consigned to James Maury see for example *MMHGA*, 1 August, 4 September, and 11 September 1787.

Maury had little problem establishing business networks with Charleston and Savannah houses, importing almost all of the 2.2 million lbs. of cotton in 1795-1805 via these two ports.¹⁷⁴

Liverpool merchants acted as agents in Merseyside to sell cotton sent by their southern clients. Importers received a four percent commission of the value of cotton sold on top of any charges accrued in the shipping, storing and sale of cotton.¹⁷⁵ To stay competitive in the American cotton trade, Liverpool houses also extended credit to their southern clients. Southern firms, attempting to receive preferential treatment from local cotton planters, extended credit to planters, and in turn, expected their Liverpool houses to extend credit to them.¹⁷⁶ Green & Wainwright, for instance, made advances on cotton consigned to them for sale from New Orleans houses like Chew & Relf.¹⁷⁷ Liverpool merchants advanced from two-thirds to three-fourths of the probable net proceeds, and such advances usually cost the southerners an additional 3.5 percent in addition to the standard commission charged by Liverpool houses.¹⁷⁸

The system of remitting funds between southern clients and their Liverpool agents proved cumbersome despite the growth of banking facilities in the American South. Charleston had a branch of the Bank of United States established before 1793 and the Bank of South Carolina by 1802.¹⁷⁹ A branch of the Bank of United States also opened in Savannah in 1802, and two banks by 1806 operated in New Orleans.¹⁸⁰ A string of transactions, however, were needed between southern houses and Liverpool houses for funds to be remitted or loans to be received. New Orleans historian John G. Clark gives an example of the procedure in a transaction between cotton merchant-planter William Dunbar of Natchez and the Liverpool firm of Green & Wainwright:¹⁸¹

¹⁷⁴ LCD.

¹⁷⁵ Adam Hodgson, a partner of Rathbone, Hodgson and Co., while on a business trip to the United States in 1819, alluded to the fact that Liverpool houses charged a commission of four percent for handling consignments of cotton from the United States. For example, Hodgson writing in New York to his partners in Liverpool on 23 Nov 1819 regarding a recent cotton shipment noted, "that the cotton was to be on account of Wm. Midgley and Sons, we should return them 1 p.c. out of the 4 p.c. com", Adam Hodgson to Rathbone, Hodgson & Co., Liverpool, 23 November 1819, Rathbone Papers, GB 141 RPXXXIII 3.9, *LUSCA*; Liverpool houses likely charged their American clients commission the same way Gladstone charged his British Guyana clients, 1 ½ percent for insurance of collection of debts and 2 ½ percent commission standard commission; British houses usually charged 4 percent of handling consignments from United States, Marriner, *Rathbones of Liverpool, 1875-73*, (Liverpool: Liverpool University Press, 1961), pp. 54-55.

¹⁷⁶ Clark, *New Orleans*, p. 310

¹⁷⁷ Clark, *New Orleans*, p. 310

¹⁷⁸ Clark, *New Orleans*, p. 311.

¹⁷⁹ W. A. Clark, *The History of the Banking Institutions Organized in South Carolina Prior to 1860*, (Columbia: The Historical Commission of South Carolina, 1922), pp. 40-42.

¹⁸⁰ Kenneth Coleman, *A History of Georgia*, (Athens: University of Georgia Press, 1977, 2nd edition, 1991), p. 113; Clark, *New Orleans*, p. 311.

¹⁸¹ Clark, *New Orleans*, p. 311.

In 1812 the estate of William Dunbar negotiated a note for £3,000 sterling on Green and Wainwright at the Bank of Mississippi which in turn negotiated the note at the Liverpool's firm's bank in Philadelphia. The Bank of Pennsylvania sold the note and placed the proceeds to the credit of the Bank of Mississippi which then wrote a check on the Pennsylvania institution.

Payments for cotton shipments and services could be made in bank notes, bills of exchange, or specie, each difficult to transact not only within one's own national borders, but particularly cumbersome outside of them. A merchant needed to consider the prevailing exchange rates between the American dollar and British pound sterling, the political situation between the two nations, individual considerations of trust between the merchant and banking houses, and the type of remittance. The most straightforward form of remittance for cotton sent to Liverpool merchants by their southern clients was to send equal-value manufactured goods demanded in the south in return for the cotton shipment. Southern cotton merchants and planters, though, did not always demand British manufactured goods. Furthermore, because southern ports often exported more goods, by value, than they imported, southern firms usually wanted to sell bills, but few individuals in the south wanted to buy them since most were also trying to sell bills.¹⁸²

Demand for financial services by southern merchants and planters, and northern merchants' need for freightable commodities for Liverpool-bound journeys created a beneficial trading pattern referred to as the 'cotton triangle'. A substantial portion of the Liverpool-United States cotton trade in the nineteenth century resembled a triangular shipping pattern where cotton, prepared and shipped from Charleston, Savannah, and New Orleans, was first shipped to northern ports like New York, Philadelphia, and Boston, and then shipped to Liverpool to be sold on the British market.¹⁸³ Albion noted that there was "no logical need" for the so-called cotton triangle, since shipping cotton first to northern ports and then to Liverpool added several months to the voyage.¹⁸⁴ Instead, northern merchants, receiving manufactured goods from British ports, entered the southern cotton trade to provide a commodity to ship on Britain-bound vessels.¹⁸⁵ It is important to note, moreover, that the shipping triangle developed quickly, in the first two decades of the American cotton trade. Already in 1795-1815, a third of all United

¹⁸² Robert A. Davison, *Isaac Hicks: New York Merchant and Quaker, 1767-1820*, (Cambridge: Harvard University Press, 1964), p. 94; Buck, pp. 81-82.

¹⁸³ The trend was noted by historians in the early twentieth century, Robert G. Albion, and Jennie B. Pope, *The Rise of New York Port, 1815-1860*, (New York: Charles Scribner's Sons, 1939), p. 96; Buck, pp. 88-89.

¹⁸⁴ Albion et. al., *Rise of New York Port*, p. 96.

¹⁸⁵ Albion et. al., *Rise of New York Port*, p. 96.

States cotton arrived in Liverpool via northern American ports, especially New York, Philadelphia, and Boston.¹⁸⁶

The interdependent relationship between southern and northern merchants can be illustrated from the work of Robert A. Davison of the early nineteenth century trade between New York merchant Isaac Hicks and the Savannah house of Robert & John Bolton.¹⁸⁷ Unlike nineteenth century and early twentieth century beliefs that many southern planters and merchants were unable to finance cotton operations without the services of northern merchants, gradually falling into debt in the process, Davison argues that large capitalised southern houses in the early nineteenth century could operate on their own account, wielding substantial capital reserves and capable of organising, loans, shipments and purchasing commodities with loans from northerners.¹⁸⁸ Northern merchants, like Hicks, provided a much needed service for selling bills of southern merchants. In turn northern merchants received cotton shipments, a much needed commodity for the British bound voyage, acting as agents in northern ports or purchasing it outright to later sell on the American or British market. This complementary relationship between northern and southern merchants explains why a number of Philadelphia, Boston, but especially New York merchants entered the southern cotton trade.

It is possible to identify some of the major New York merchants involved in cotton shipping from *Ming's New York Price-Current*, 1808-1810.¹⁸⁹ Because few custom house records for New York survived prior to 1815, Ming's circular provides, based on partial import lists of cotton entering New York, important information regarding major New York firms involved in the cotton trade. Isaac Hicks, for example, working under Hicks, Jenkins & Co in New York appeared in the circular in 1808, receiving cotton from his Savannah connections. A number of Hicks' fellow New York merchants also operated as northern agents or purchased cotton on their own account, specialising in operating with clients in one or two cotton regions: Butler, Burrough & Sturges in Savannah; Gillespie & Campbell in Charleston; and Jonathan Ogden & Co in New Orleans. These firms operated as agents for southern houses or traded on their own account, organising shipping of cotton from southern ports to Liverpool for sale via New York (Table 2.8).

¹⁸⁶ LCD.

¹⁸⁷ Davison, pp. 91-107.

¹⁸⁸ Davison, p. 99.

¹⁸⁹ *Ming's New York Price-Current* likely recorded only a fraction of cotton entering New York during 1808-1810, however the sample is large enough to make a credible conclusion as to who some of the major New York cotton merchants were c. 1810.

Table 2.8: Top twenty New York merchants consigned cotton (000 lbs.), calculated from *Ming's New York Price-Current*, 1808-1810

Consignee	CHA	NO	SAV	Other	Total
Butler, Burroughs & Sturges			571.5		571.5
Gillespie & Campbell	353.4	111.3			464.7
Jonathan Ogden & Co		346.5			346.5
John M'Adam & Co	321.6				321.6
John Taylor	291.6				291.6
Abraham Nichols			285.3		285.3
Francis Thompson	1.5		278.7		280.2
James Magee & Co			231.6		231.6
Howard, Phelps & Co			227.4		227.4
Joshua Waddington				206.7	206.7
Hicks, Jenkins & Co		1.2	189.9		191.1
John Atkinson & Co		186.6			186.6
Ferguson & Day		180.0			180.0
Albert Ogden & Co			167.4	6.0	173.4
Frederic & Fanz Deederichs & Co	156.6		2.1		167.7
Bogert & Kneeland			141.6		141.6
Philetus Havens			135.0		135.0
Clendening & Adams			133.5		133.5
Hezekiah Lord	2.4		121.5		123.9
John M'Vicar, Son & Stewart		120.0			120.0
Total	1,136.1	945.6	2,485.5	212.7	4,779.9

Sources: Ming's New York Price-Current, 1808-1810; *Jones's New-York Mercantile and General Directory*, 1806; *Longworth's American Almanac*, *New-York Register*, and *City Directory*, 1808.

CHA- Charleston; NO – New Orleans; SAV – Savannah

The development of the cotton triangle, combined with pre-established networks of Liverpool houses operating in the North American trade, explains why a number of large Liverpool importers received cotton shipments via northern ports. Liverpool houses John Richardson & Co and William Lees & Co received a substantial portion of their cotton via New York. John & Adam Lodge and the firm Morrall & Borland received their cotton primarily via Boston, the latter having business connections with Boston firms Gassett, Upham & Co, and Bender & Drand.¹⁹⁰ William Barber & Co received much of its cotton from Philadelphia merchant families like the Lapseys.¹⁹¹ Cropper, Benson & Co received more than half of their cotton via New York and

¹⁹⁰ LCD; Jean Lindsay, 'An Early Industrial Community – The Evans' Cotton Mill at Darley Abbey Derbyshire, 1783-1810', *Business History Review*, Vol. 34, No. 3, Autumn, 1960, p. 288.

¹⁹¹ LCD.

Philadelphia.¹⁹² The biggest Liverpool cotton importer in 1795-1815, Rathbone, Hughes & Duncan, obtained more than half of their cotton from northern ports of New York, Philadelphia, Boston, Baltimore, and Portland.¹⁹³

In Liverpool, a group of religious dissenters controlled the flow of cotton via northern American ports. A Liverpool merchant's social and business circles as well as trust stemming from reputation were always important in establishing new networks across the Atlantic yet religion affiliations also played an important part in the Liverpool cotton trade.¹⁹⁴ Quaker merchants and other religious dissenters such as Rathbone, Hughes & Duncan, Cropper, Benson & Co, John Richardson & Co, and Martin, Hope & Thornely established networks with fellow Quakers in New York and Philadelphia. Francis Thompson and Isaac Hicks, both New York Quaker merchants, traded with Rathbone, Hughes & Duncan of Liverpool.¹⁹⁵ Francis' relative Jeremiah Thompson, another New York Quaker and big cotton merchant, operated with the Croppers and Rathbones at least in the early 1820s; in 1817, he began the first regular packet service between New York and Liverpool, the Black Ball Liner.¹⁹⁶ Religious affiliation, therefore, was important but not the only factor in establishing trading networks with merchants in northern American ports.¹⁹⁷

The Rathbones were particularly well connected to other leading Liverpool cotton importers Hughes & Duncan and Cropper, Benson & Co. William Rathbone IV connected by marriage to Robert Benson, joined in a partnership under Rathbone & Benson in 1787-1795.¹⁹⁸ William IV formed a new partnership in 1796 with William McMurdo Duncan and William Hughes. James Cropper apprenticed to the Rathbones and formed a partnership with the same Robert Benson in 1799. The death of William Rathbone IV dissolved the partnership and Hughes & Duncan continued to operate in a separate firm.¹⁹⁹ In 1809, Rathbone's sons William V and Richard entered a partnership

¹⁹² LCD.

¹⁹³ LCD.

¹⁹⁴ For an examination of trust and reputation in building and fostering networks between Liverpoolians and merchants in the New World see Haggerty, *Merely for Money*, pp. 66-131.

¹⁹⁵ Adam Hodgson to Rathbone, Hodgson & Co, Liverpool, 27 November, Rathbone Papers, GB 141 RPXXXIII 3.10, *LUSCA*; Davison, p. 95.

¹⁹⁶ Gene Dattel, *Cotton and Race in the Making of America: The Human Costs of Economic Power*, (Lanham: Rowman & Littlefield Publishing Group, 2009), p. 61.

¹⁹⁷ In Philadelphia, for instance, William Rathbone IV maintained a web of Quaker and non-Quaker contacts, including old Lancashire friends such as Ralph Eddowes, a Unitarian who established a merchant house in Philadelphia in 1794. Haggerty, *British-Atlantic Trading Community*, p. 234; 'Merely for Money'? *Business Culture in the British Atlantic, 1750-1815*, (Liverpool: Liverpool University Press, 2012), p. 112.

¹⁹⁸ LCD.

¹⁹⁹ LCD.

by themselves, taking on Adam Hodgson, son of a wealthy Liverpool merchant Thomas Hodgson, as a partner in 1815.

A decade later, the large cotton speculation of 1825 made historian Ellison and others to consider whether Quaker merchants firms like the Rathbone Brothers and Cropper, Benson & Co—connected by friendship, religious affiliation, marriage, and blood—formed a type of nineteenth century cartel to speculate in cotton importation in Liverpool.²⁰⁰ These allegations, however, have since been disproven by Liverpool historian Nigel Hall, who concluded that Quaker firms were not a “tight-knit group”, but individual firms among many speculators.²⁰¹ The Rathbones’ long history and reputation in Liverpool commerce, therefore, combined with ties forged through social and business networks explains why the family managed to become the leading importers of cotton from the United States in the early nineteenth century.

The Rathbones, Bensons, and Croppers, operating with networks of merchants in New York, Philadelphia, and Boston, seemed unwilling to organise branches in the United States or circumvent networks established by their northern and southern United States clients. Worsening Anglo-American relationships in the early nineteenth century, culminating in the War of 1812, must have deterred Liverpool importers like the Rathbones from organising operations in the United States. Increased competition after the war also likely deterred many from opening branches in North America. Instead, a number of older Liverpool firms like the Rathbones and the Croppers continued to work as commission agents for northern merchants, charging for services, organising loans, and extending credit to their northern counterparts.²⁰² Not until the mid-nineteenth century did the Rathbones establish a firm in New York to organise the trade with southern states.²⁰³ Correspondence of a business trip in 1819-1820 to the United States by Adam Hodgson of Rathbone, Hodgson & Co expressed the difficulties of operating in a market without branches outside of Liverpool. In a letter to his Liverpool partners, dated 27 September 1820, he wrote:²⁰⁴

... I daily feel mortified at being compelled to enter into competition with those who, from having an establishment on this side of the water, possess advantages which we cannot compass.

²⁰⁰ Nigel Hall, ‘A ‘Quaker Confederation’? The great Liverpool cotton speculation of 1825 reconsidered’, *Transactions of the Historic Society of Lancashire and Cheshire*, Vol. 151, 2002, pp. 4-5.

²⁰¹ Hall, ‘Quaker Confederation’, pp. 16-17.

²⁰² Adam Hodgson to Rathbone, Hodgson & Co., Liverpool, 4 November 1819, Rathbone Papers, GB 141 RPXXXIII 3.2, LUSCA.

²⁰³ Marriner, pp. 74-75.

²⁰⁴ Marriner, pp. 74-75; Adam Hodgson to Rathbone, Hodgson & Co., Liverpool, 27 September 1820, Rathbone Papers, GB 141, RPXXXIII 3.15, LUSCA.

The expansion of the Liverpool-American cotton trade brought ambitious new entrants into Liverpool's trading community. From 1805, Liverpool merchant John Marshall competed with James Maury in the Savannah market.²⁰⁵ Hobsons & Bolton competed with William Lees for cotton consignments from Charleston houses, and Barclay, Salkeld & Co competed with Green & Wainwright in New Orleans.²⁰⁶ New entrants established networks in southern ports and successfully competed with older Liverpool firms. George Barclay of Barclay, Salkeld & Co illustrates the successful intrusion of new merchants into Liverpool's import trade. The firm first operated in London until 1803, but established a counting house in Liverpool by 1806 as cotton imports into Merseyside began to rise sharply.²⁰⁷ Operating out of 18 Goree Piazzas, Liverpool, the firm was consigned at least 3.4 million lbs. of New Orleans cotton in 1806-1815.²⁰⁸ Barclay successfully competed as a Liverpool agent by acquiring a large business network of wealthy Mississippi planters like William Dunbar, Stephen Minor, William Kenner a number of New Orleans houses.²⁰⁹ By 1815, Barclay was heavily invested in the trade in Liverpool, as well as thought to own a cotton plantation near Pensacola, Florida.²¹⁰

Two New York-Liverpool firms in particular—Ogden, Richards & Co and Bolton & Ogden—dominated Liverpool's cotton trade with the United States prior to 1815.²¹¹ The first partnership comprised of Andrew Ogden, Silas Richards and David Selden, the latter two residing in Liverpool by 1815.²¹² Andrew Ogden coordinated cotton shipments and operated the firm's branch in New York under Andrew, Ogden & Co. The firm imported 7.9 million lbs. of cotton in 1806-1815, and was one of the few Liverpool firms that managed to import cotton from the United States during the war of 1812, using Amelia Island as a loop-hole to the embargo.²¹³ Fellow New York-

²⁰⁵ LCD.

²⁰⁶ LCD.

²⁰⁷ *London Gazette*, 3 April 1804.

²⁰⁸ LCD.

²⁰⁹ Brazy, p. 9.

²¹⁰ LMD.

²¹¹ The development of a single firm with branches in United States and Liverpool in the second half of the nineteenth century has been pointed out by historians like Stanley Buck and Frank Thistlethwaite, respectively, Buck, p. 42; Frank Thistlethwaite, *The Anglo-American Connection in the Early Nineteenth Century*, (State College: University of Pennsylvania Press, 1959). The growth of some of the biggest Anglo-American firms like the Barings and the Browns has been well documented by historians Ralph W. Hidy and Edwin J. Perkins, respectively, Ralph W. Hidy, *The House of Baring Baring in American Trade and Finance: English Merchant Bankers at Work, 1763-1861*, (Cambridge: Harvard University Press, 1949); Edwin J. Perkins, *Financing Anglo-American Trade: The House of Brown, 1800-1880*, (Cambridge: Harvard University Press, 1975).

²¹² *London Gazette*, 3 October 1818.

²¹³ Hughes & Duncan, the former partners of Rathbone, Hughes & Duncan and the firm of Ewart, Rutson & Co also received large shipments of American cotton in 1813-1814 via Amelia Island, LCD.

Liverpool firm Bolton & Ogden was operated by Thomas Bolton in Liverpool and Jonathan Ogden in New York.²¹⁴ Bolton & Ogden received most of their cotton from Charleston and New Orleans; Ogden, Richards & Co specialised in the Savannah market.²¹⁵ By organising both in New York and Liverpool, each firm could coordinate efforts to procure and ship cotton to Liverpool, and successfully compete with other well-established Liverpool houses (Table 2.9).

Table 2.9: Top fifteen Liverpool Importers of American cotton, 1806-1815.

Consignee	Amount lbs.	Major Supply Source
Rathbone & Co	10,612,800	NY
Ogden, Richards & Co	7,905,300	SAV
Cropper, Benson & Co	6,736,800	NY
W. Dixon & Co	5,908,200	SAV
Thomas Bolton & Co*	4,997,000	CHA
Alexander M'Gregor & Co	4,940,420	NO & NY
Hughes & Duncan	4,411,800	AI
William Lees & Co	3,761,280	CHA
John Richardson & Co	3,429,420	NY
Barclay, Salkeld & Co	3,400,200	NO
Ewart, Rutson & Co	3,201,000	CHA
William Barber & Co	3,016,200	PHIL
Lodges & Tooth	2,955,900	BOS & CHA
James Maury	2,592,000	CHA & SAV
Hamilton, Maher & Co	2,437,320	CHA

Sources: Krichtal, Liverpool Cotton Database, 1752-1815; *Gore's Liverpool Directory*, 1790, 1800, 1803, 1813.

Major Supply – at least thirty percent of total cotton imported from the port

NA – North America; NO – New Orleans; CHA – Charleston; SAV – Savannah; AI – Amelia Island, Florida; NY – New York; PHIL – Philadelphia; BOS – Boston.

* includes the partnerships of Hobsons & Bolton (c. 1804-1812), importing 2.76 million lbs. of cotton and Bolton & Ogden (c. 1815-), importing 2.23 million lbs. of cotton.

Liverpool merchants operating in the United States, therefore, established networks with merchant houses in the United States prior to the cotton boom of the late eighteenth century. Importers utilised their networks, whether pre-established or recent, of southern and northern American houses to procure American cotton. The expansion of the cotton trade fostered by these networks introduced new merchants to Liverpool who enjoyed extensive networks in the south and organised branches on both sides of

²¹⁴ John R. Killick, 'Bolton Ogden & Co.: A Case Study in Anglo-American Trade, 1790-1850', *Business History Review*, Vol. 48, No. 4, winter 1974, p. 503.

²¹⁵ LCD.

the Atlantic, successfully competing with older Liverpool firms in the American cotton trade.

The Liverpool cotton trade underwent a major transformation during the period 1770-1815. Even though the trade expanded quickly by other industry standards, it was also protracted, requiring half a century of development, organisational change, and expansion. With all three geo-political regions—the West Indies and Guyana, Portugal and Brazil, and North America—the Liverpool cotton trade developed from pre-existing trading conditions and pre-established networks of Merseyside's merchant community in the Atlantic basin. Liverpool importers usually operated as commission agents, but sometimes purchased cotton outright. The trade by the early nineteenth century, apart from experiencing a shifting cotton supply from the West Indies, Guyana, and Brazil to the United States, experienced a re-organisation in the merchant community as new traders entered Liverpool, successfully competing with older established firms.

To procure cotton Liverpool merchants built networks across the Atlantic based on family, marital, national, and religious affiliations: John Bolton operating in a network of his wife's family, the Littledales, in British Guyana; the Earles operating with English merchants in the Lisbon factory; the Rathbones dealing with fellow Quakers in New York and Philadelphia. Yet, Liverpool merchants went beyond the boundaries of these affiliations and worked with Scottish, Irish, Dutch, Danish, French, Spanish, Portuguese, and American merchants and planters whether as partners or clients in Liverpool and across the Atlantic based on trust, friendship, and reputation, making the Liverpool cotton trade in the late eighteenth and early nineteenth century a truly trans-national and multi-regional Atlantic trade.

CHAPTER THREE

COTTON, SPECIALISATION, AND THE CHANGING STRUCTURE OF LIVERPOOL'S BUSINESS COMMUNITY

A decade before 1815 the cotton industry had developed into the most important import-export sector of British international trade. In 1804-1806 manufactured cottons exports were worth £13,968,000, surpassing manufactured woollens worth £8,626,000, or other major commodities like refined sugar, to comprise about 34 percent of all British exports by value.¹ In the same period, raw cotton imports worth £5,628,000 comprised about 10 percent of total British imports, quickly rising to the level of sugar imports—the dominant British import commodity of the eighteenth century—worth £6,879,000.²

Simultaneously, Liverpool had established itself as a major British cotton market. Importers, sellers, buyers, dealers, manufacturers, speculators, and their agents descended on Liverpool to purchase or sell cotton on an ever growing and more sophisticated market. Whereas chapters one and two examined Liverpool's changing raw cotton markets, organisation of trade, and the networks forged by the port's merchants, chapter three analyses Liverpool's community of merchants, dealers, and brokers who organised cotton sales to local and regional buyers. The chapter addresses how Liverpool's 'cotton business community' responded to Lancashire manufacturers' rapidly growing demand for raw cotton after 1783. It also examines whether the onset of wars and economic crises prompted a restructuring of the Merseyside business community, whereby larger more capitalised firms aggrandised greater and greater shares of the trade. Furthermore, the chapter estimates whether Liverpool's merchant community increasingly specialised as 'cotton merchants' or remained as general import-export merchants. Ultimately, chapter three identifies how the Liverpool merchant community maintained a relatively steady and low-cost supply to Lancashire manufacturers during a period of rapid expansion and volatile market conditions.

In examining Liverpool as a raw cotton distribution centre, 1770-1815, we first examine whether difficult economic conditions—often prompted by war, revolution, and changing regional cotton supplies, as outlined in chapters one and two—caused structural changes in Liverpool's cotton importing community. This chapter then

¹ Davis, *Industrial Revolution*, p. 97.

² Davis, *Industrial Revolution*, pp. 114-115.

discusses the rise of the specialist cotton broker by spotlighting two Liverpool brokers: Nicholas Waterhouse (c. 1790-1821) and Joshua Reynolds (c. 1811-1820).

In the late eighteenth century, a large and diverse community imported cotton into Liverpool. Anyone with sufficient capital, and acquainted with a cotton planter or a local merchant operating in the trade, could attempt to purchase cotton on their own account or act as an agent for a client. Therefore, Lancashire newspapers recorded men and women of different backgrounds and professions as consignees of cotton shipments entering Liverpool. Naturally, a portion of cotton shipments were consigned to captains and owners of vessels carrying the fibre into Liverpool, but the background and professions of cotton consignees in Liverpool was beyond those involved in maritime trade. Men who operated in Liverpool as wealthy bankers or in modest professions like blacksmiths, brewers, butchers, and coopers appeared from time to time as cotton importers.³ Women occasionally appeared as consignees of cotton shipments in Liverpool, most either unmarried or carrying on the business of their deceased husbands since social norms and the legal status of married women in eighteenth century Britain restricted independent female participation in business ventures.⁴ The dominant groups in the cotton importation business, however, were Liverpool merchants with established networks in the Atlantic trade, and to a smaller extent Lancashire cotton dealers and manufacturers and Liverpool brokers, the latter acting as their agents in Merseyside.

Different merchants dominated Liverpool's cotton importation trade in the period 1770-1815. Merchants from prominent Liverpool and Lancaster families operating in the West Indies trade, like the Tarletons and the Rawlinsons, dominated the port's cotton trade in the 1770s and 1780s. New merchants like Thomas Barton and John Bolton entered the Liverpool trade in the late eighteenth century, successfully competing with older prominent Liverpool houses. But by 1810, they themselves were competing with newer Liverpool houses like William Lees & Co and John Richardson & Co., as well as older established houses like the Rathbones that entered the trade after the expansion of cotton cultivation in the United States (Table 3.1).

³ Examples of cotton importers appearing in Lancashire newspapers as consignees of cotton shipments include: Charles Caldwell, merchant and banker; John Butler, brewer; John Bevan, blacksmith; Thomas Dickson, butcher; Benjamin Devayne, cooper; *Gore's Liverpool Directory*, 1790; LCD.

⁴ Examples include Mrs Ellen Riggs, Mrs M. James, Mrs Gibson, Mrs. L. Tulloch, and the widow of George Warbrick, Liverpool merchant, likely Mrs. Mary Warbrick of Chesterfield street, Harrington, a partner of the house of George Warbrick's Widow & Co, merchants, with an office on 1 Forrest Street, Liverpool, *Gore's Liverpool Directory*, 1803; LCD; Haggerty, *Trading Community*, p. 71.

Increasing demand from inland manufacturers created pressures in the market that led to changes in Liverpool's cotton importing community in 1770-1815. Importantly, only two individuals (or firms)—the Tarletons and Thomas Barton—managed to remain in the group of top ten Liverpool importers for three decades, but not a single merchant kept their top ten ranking between the beginning of the boom (1770) and the height of the cotton-based commerce (1810). Furthermore, the firms and merchants that handled cotton shipments in Liverpool changed dramatically decade by decade. For example, twenty-two out of the thirty top Liverpool cotton importers operating in the 1770s were not the top thirty Liverpool cotton importers a decade after. Five of the top ten Liverpool importers operating in the 1780s were different merchants to those operating as the top ten importers in the 1770s. Seventeen new importers entered into the top thirty categories in the 1790s, compared to the 1780s, and another twenty-three new entrances were evident in 1800-1810 compared to the top thirty community of the 1790s (Table 3.2).

Table 3.1: Top ten Liverpool cotton importers (in 000s lbs.), by decade, 1770-1810

	cotton		cotton
1770-1779	imported	1780-1789	imported
Rawlinson, Chorley & Grierson	2,474	Tarleton and Backhouse	3,239
Tarleton & Backhouse	1,712	Rawlinson, Chorley & Grierson	2,927
John Kennion	983	Allanson & Barton	2,881
Christopher Wetherherd	497	George Marsden	1,528
Thomas and Clayton Case	495	Holt & Davies	1,453
Gill Slater & Co	426	James France & Nephew	1,422
Arthur and Benjamin Heywood	300	Slater & Robinson	1,299
Hamilton and Smyth	279	John Kennion	1,124
James France	258	Henry Norris	1,104
William James & Co	223	Thomas Norris	974
1790-1799		1800-1809	
Thomas Barton & Co	4,767	Rathbone, Hughes & Duncan	18,321
Holt & Davies	4,558	Barton, Irlam & Higginson	7,959
James Kenyon	4,403	John Bolton & Co	6,272
Tarleton & Backhouse	2,848	William Lees & Co	6,131
John Bolton & Co	2,832	Ewart, Rutson & Co	4,901
George Goring	2,535	John Richardson & Co	4,744
Ewart, Rutson & Co	2,471	Harrison, Latham & Co	4,702
James & Thomas Moss	2,377	Green, Wainewright & Co	4,476
McIver & Lowther	2,363	John Theodor Koster & Co	4,345
Thomas & William Earle	2,352	William Barber & Co	4,099

Sources: Krichtal, Liverpool Cotton Database, 1752-1815

Table 3.2: Change in Liverpool's top thirty cotton importers, 1770-1810

No. of different merchants/firms in:	from 1770-1779 to 1780-1789	1780-1789 1790-1799	1790-1799 1800-1809
Top 1-10	5	2	6
Top 11-20	8	7	8
Top 21-30	9	8	9
Top 30 Total	22	17	23

Sources: Krichtal, Liverpool Cotton Database, 1752-1815

Naturally, a number of merchants exited the cotton trade in the space of four decades. Some Liverpool merchants died, some retired from trade, and others shifted to importing different commodities or dissolved partnerships. For instance, the partnership of Rawlinson, Chorley & Co, major cotton importers in the 1770s and 1780s, dissolved after Henry Rawlinson retired from his ventures in the mid-1780s, leaving his partner John Chorley to operate under his own name in the 1790s.⁵ Also in the 1770s, Arthur Heywood, operated in Liverpool under Arthur & Benjamin Heywood as slavers, general merchants, and major cotton importers. By 1775, Heywood established himself as a Liverpool banker and expanded further into financial services, opening a Manchester branch in 1784.⁶ His banking services likely took up most of his time as by 1780 the firm only occasionally imported cotton into Liverpool.⁷ Other merchant houses dissolved because of irreconcilable differences. John Tarleton of Tarleton & Backhouse exited the partnership in 1792 after “a very violent quarrel” with business partner Daniel Backhouse over negotiations of the partnership renewal.⁸ John's brother Thomas continued operations with Backhouse until 1806, periodically importing cotton, but never at the pre-1792 volume.⁹

To explain the major restructuring of the Liverpool merchant community, however, one needs to examine market conditions in historic context beyond the local Liverpool market. Fluctuations in cotton supply from year to year, speculation, and price disturbances all impacted upon Liverpool merchant standings as major cotton

⁵ LCD.

⁶ John Hughes, *Liverpool Banks and Bankers, 1760-1837*, (Liverpool: Henry Young & Sons, 1906), pp. 93-96.

⁷ LCD.

⁸ P. D. Richardson, *American Material from the Tarleton Papers in LRO: Introduction to the microfilm collection*, <http://www.microform.co.uk/guides/R96797.pdf>; Clayton Tarleton to Thomas Tarleton, 12 July 1792, Tarleton Papers, TAR 4/26, *LRO*.

⁹ LCD.

importers. A period of successive wars further induced these disturbances and bankrupted some Liverpool merchants or created a risky trading environment.

Fluctuating cotton prices in Britain during 1782-1815 demonstrate turbulence in the Liverpool cotton market.¹⁰ Prices for West India cotton varieties decreased sharply after the cessation of the American Revolutionary War (1775-1784), when re-established supplies from the Caribbean and new supplies of Brazilian cotton emerged. Apart from a spike in 1786-1788, prices remained steady as demand met supply until the 1791 Slave Revolution in St. Domingue, and the re-introduction of Anglo-French hostilities in early 1793 cut off French cotton supplies, pushing prices of Brazilian and West Indies cotton varieties upwards until 1799. Meanwhile, Liverpool cotton supplies decreased from 72,264 bales in 1792 to 24,971 bales in 1793, recovering to pre-1793 levels by 1799.¹¹ The introduction of cotton from the southern United States flooded the Liverpool market by 1800, causing prices for American, Brazilian and West Indies varieties to fall and remain low until 1807. The re-organisation of the Anglo-Brazilian trade in 1808 and the introduction of Anglo-American hostilities in 1808-1814 caused a price spike in Brazilian and American cotton varieties as importers struggled to supply the Lancashire cotton industry. By 1814 prices for American and Brazilian varieties again fell as Anglo-American and Anglo-French conflicts subsided (Figure 3.1).

Speculation in cotton on the Liverpool market was rife. Importers, buyers, and their respective clients speculated on the price of cotton falling or rising in the immediate future based on available information, whether sound or ill-founded. Writing in 1816, a Liverpool cotton broker John Slack, recalled two large Manchester cotton dealers falling in bankruptcy in 1779 after speculating in cotton. Observing prices of cotton increasing by 2d per lb. in Britain after news arrived in September 1779 that French forces took Grenada, the two dealers assumed that cotton prices would rise again after rumours a month later reached Britain that French forces also captured Jamaica.¹² The rumours turned out to be false; the price of cotton did not increase and speculation ruined the two dealers. The cotton speculation bubble of 1779 was only one of several that Slack recalled: there were others in 1786-1788, 1791, 1798-1799, 1808-1809 and 1812-1814, all periods of sharply fluctuating cotton prices in Britain.¹³ Liverpool price circulars, published from the late eighteenth century onwards, gave a similar assessment

¹⁰ It is best to use cotton prices published for Britain by Baines, p. 313, since cotton prices appearing in Liverpool price circulars are fragmentary and not available pre 1790.

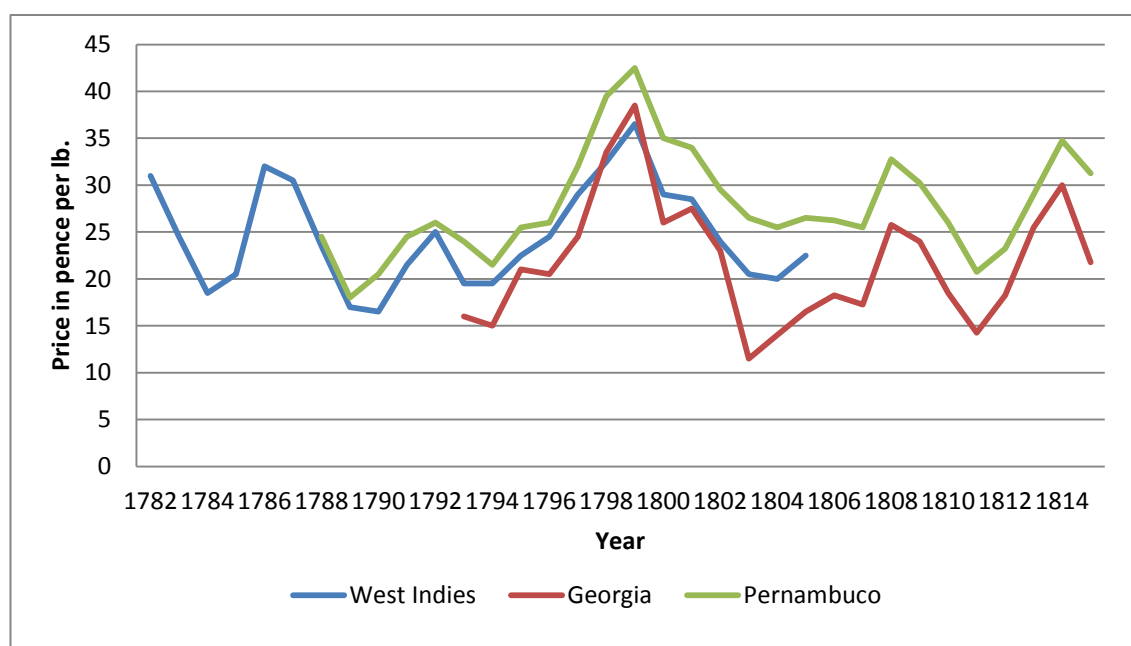
¹¹ Smithers, p. 147.

¹² John Slack, *Remarks on Cotton*, (Liverpool, 1816), p. 5.

¹³ Slack, pp. 9, 10, 13, 16-17.

of speculation in the port's cotton market.¹⁴ For example, a price circular dated 2 May 1812 describes the Liverpool cotton market for the previous week as sales “of all sorts about 5,200 bags have been sold this week... of these sales nearly one half have been made to speculators”.¹⁵ Speculation, then, contributed to the instability in the Liverpool cotton market.

Figure 3.1: Price fluctuations of West India, Georgia, and Pernambuco cotton in Britain, 1782-1815



Source: calculated from cotton prices in Baines, p. 313.

Price fluctuations on the Liverpool cotton market demonstrate the difficult economic conditions under which Liverpool merchants operated. Crop's seasonality, shipping patterns, disruptions of supply caused by war, and weather conditions all impacted on prices and the volume of sales on the Liverpool market. More importantly, at least in the short run, were the expectations of such events and what they would do to cotton prices on the Liverpool market. A small increase or decrease in the cotton price could determine the profitability of that year's stock and subsequently the success of cotton importers and buyers. For instance in 1805, prices of 'Bowed' cotton per lb. fluctuated in Liverpool between a high 23.75d on 9 February and a low 16.5d on 27

¹⁴ See for example cotton price fluctuations in the Trade Circular, 5 January, 9 February, and 10 August 1805, Ewart, Rutson & Co, 380 COT/1/13/3, *LRO*.

¹⁵ Trade Circular, 2 May 1812, Ewart, Rutson & Co, 380 COT/1/13/3, *LRO*.

April.¹⁶ An importer selling 1,000 bales of cotton in mid-May instead of early February might expect to lose £7,500 in revenue.¹⁷ Such large revenue losses would be disastrous for importers, especially those dealing on their own account.

War and conflicts exacerbated fluctuations in prices, supply and speculation, and in turn caused some merchants to withdraw from the trade or become bankrupt. Some Liverpool merchants, operating as major cotton importers prior to the American Revolutionary War, did not survive the conflict. Christopher Wetherherd, a major West Indies cotton importer in 1768-1776, was declared bankrupt in 1777.¹⁸ Thomas Case, another West Indies cotton importer, went bankrupt in 1780 as did John Kennion in 1784.¹⁹ Other West Indies cotton importers went bankrupt a few years after war, about the time of a speculative bubble of 1786-1788, including Peter Kennion in 1786, and John Postlethwaite of Benson & Postlethwaite in 1787.²⁰ Two decades later, the Anglo-American hostilities from 1808 and the War of 1812 created a difficult environment for Liverpool importer to operate in the United States trade. Alexander Mein, of William & Alexander Mein in Liverpool, stopped imports from Charleston and Savannah by 1811, dissolving the partnership the same year, and shortly after he was declared bankrupt in 1812.²¹ A fellow house involved in North American cotton trade, Green & Wainewright, dissolved with the beginning of the Anglo-American conflict in 1812.²²

The financial crisis of 1793 and the re-introduction of Anglo-French hostilities the same year bankrupted a number of Liverpool cotton importers. As Liverpool historians Hyde, Bradbury, Parkinson and Marriner noted regarding the 1793 crisis, “[i]n no great trading centre were the losses more severe than in Liverpool”.²³ According to Hyde and colleagues, the collapse of a major Liverpool banking house of Charles, Caldwell & Co panicked creditors and led to tightened credit, causing widespread bankruptcies in Liverpool and across Britain.²⁴ Some of Liverpool’s biggest cotton importers went bankrupt, likely as a result of the financial collapse. Liverpool’s Gill Slater, a West Indies merchant and large cotton importer in the 1770s and 1780s, was declared bankrupt in 1793.²⁵ His fellow cotton importers William Crosbie and John

¹⁶ Trade Circular, 9 February, 27 April 1805, Ewart, Rutson & Co, 380 COT/1/13/3, *LRO*.

¹⁷ Assuming each bale weighs 300 lbs. each.

¹⁸ *London Gazette*, 10 June 1777.

¹⁹ *London Gazette*, 2 September 1780, 21 December 1784.

²⁰ *London Gazette*, 12 August 1786, 20 January 1787.

²¹ *London Gazette*, 12 March, 1811, 4 July 1812.

²² *London Gazette*, 25 June 1808.

²³ Francis E. Hyde, Bradbury B. Parkinson, Sheila Marriner, ‘The Port of Liverpool and the Crisis of 1793’, *Economica*, Vol. 18, No. 72, 1951, p. 363.

²⁴ Hyde et. al., ‘Crisis of 1793’, p. 368.

²⁵ *London Gazette*, 30 March 1793.

Greenwood were declared bankrupt in early August, as were Thomas Lake and William Charles Lake by late October.²⁶ Other merchants held out a few years longer until the toll of the war finally collapsed their operations, like Liverpool cotton importer John Byrne, declared bankrupt by 1796.²⁷

One might suppose that difficult economic conditions, marked by fluctuating cotton prices and rampant speculation, would have favoured Liverpool's largest best-capitalised firms that could ride out periods of financial uncertainty. Certainly Liverpool's mercantile and political concerns were concentrated in the hands of several large and influential merchants, merchant-princes such as Thomas Leyland, Liverpool mayor and one of the wealthiest men in England. Indeed, historians who have studied Liverpool's eighteenth century merchants suggest that, over time, fewer and fewer merchants aggrandised greater and greater shares in overseas trades such as the Chesapeake tobacco and the Atlantic slave trades. The tobacco studies, though, end in 1775, and Inikori's analysis of British slaving firms' market power focuses on 1783-1792 and relies mostly on a 1795 work by James Wallace.²⁸ There is no study of Liverpool cotton importing firms' market power, and none that bridge the years of the French and Napoleonic Wars.

For this thesis, the construction of the Liverpool Cotton Database has yielded the consignees for 30,000 cotton cargoes importing to Liverpool, 1752-1815. Most data are from the period, 1770 to 1810, and reveal that the top ten cotton importing firms' market power fluctuated from controlling more than half of all cotton imports in the 1770s to about a quarter in the 1790s and the first decade of the nineteenth century. Data produced by David Williams, based on his analysis of Liverpool port books, 1820, 1830, and 1839 demonstrated that the leading ten firms' market power increased again to control more than a third of market by 1840 (Table 3.3). Counterintuitively, leading firms' market shares decreased during a period of destabilised wartime trade, a finding that corresponds with trends identified in Stephen Behrendt's research on British slaving firms' market power, 1785-1807.²⁹ Thus, leading cotton firms were unable to keep out new entrants and maximize cotton prices and their profits.

²⁶ *London Gazette*, 6 August, 26 October 1793.

²⁷ *London Gazette*, 9 November 1795.

²⁸ Jacob M. Price and Paul G. E. Clemens, 'A Revolution of Scale in Overseas Trade: British Firms in the Chesapeake Trade, 1675-1775', *Journal of Economic History*, Vol. 47, No. 1, March 1987, pp. 1-43; Joseph E. Inikori, 'Market Structure and the Profits of the British African Trade in the Late Eighteenth Century', *Journal of Economic History*, Vol. 41, No. 4, December 1981, pp. 748-750.

²⁹ Stephen D. Behrendt, *The British Slave Trade, 1785-1807: Volume, Profitability and Mortality* (unpublished PhD dissertation: University of Wisconsin-Madison, 1993), chapter two.

Two major factors explain the de-concentration of the port's trade from 1790 to 1810 and the shifting composition of the merchant community. Certainly there were new merchants who migrated to Liverpool. Liverpool's population expanded from 40,000 residents in 1780 to almost 80,000 in just two decades.³⁰ Migration rather than natural increase accounted for an estimated 70 to 80 percent of this population growth.³¹ It is unclear exactly how many of Liverpool's almost 1,000 merchants in the early 1800s were newcomers, but, of the leading top ten cotton importing firms operating in 1800-1810, at least six firms were operated by men who migrated in the late eighteenth century to Liverpool from outside of Merseyside.³² But more important in explaining widening merchant participation in cotton was the changing regional supplies of cotton and regional specialisation of Liverpool merchants over the period 1750-1850: leading firms controlled more of the trade when cotton arrived in Liverpool almost exclusively from the British West Indies and the Mediterranean. After supplies switched as cotton frontiers in Brazil, Guyana, and United States were opened, the top ten firms operating in Liverpool lost market shares.

Table 3.3: Share of Liverpool's cotton market by top ten firms, 1770-1839

Period/year	% of the total market
1770-1779	57
1780-1789	44
1790-1799	28
1800-1809	24
1820	24
1830	32
1839	36

Sources: Krichtal, Liverpool Cotton Database, 1752-1815; Williams, 'Liverpool Merchants and the Cotton Trade 1820-1850', p. 27.

³⁰ Longmore, p. 169.

³¹ Pooley, p. 175.

³² LCD.

As shown in chapter one, the supply of cotton into Liverpool shifted in the late eighteenth and early nineteenth centuries from the West Indies, to Brazil, Guyana, and the United States. Despite the overwhelming cotton dominance of the United States by 1830, it accounted for about 60 percent of the volume imported in 1800-1809.³³ Additionally, since Liverpool merchants usually imported cotton from one or two ports or colonies in the same region (as shown in chapter two), the share of the top ten Liverpool importers became diluted as more cotton entered Liverpool from regions in which the old established firms lacked strong business networks. For example, three of the top ten firms in 1800-1810 had imported more than 90 percent of their cotton from either the West Indies and Guyana, or Portugal and Brazil. None of these firms had strong networks in the United States to procure cotton once cultivation expanded in the south. Major importers generally operated in one region: the Rathbones imported almost all of their cotton from United States; Thomas Barton imported cotton from the West Indies and Guyana; and John Theodor Koster imported cotton almost exclusively from Portugal and Brazil. Furthermore, of the top thirty cotton importers operating in each decade in 1770-1810, at least three-quarters imported 75 percent or more of their cotton from one region, suggesting most specialised regionally in either, the trade with the West Indies and Guyana, Portugal and Brazil, or the United States (Table 3.4).

A number of factors restricted Liverpool cotton importers to trade with one region. Generally, young aspiring men began their careers as apprentices to merchants and tended to specialise in their master's regional trades, establishing networks, sometimes entering into partnership with them, or establishing their own firms after finishing their apprenticeships. Ideology and moral conviction deterred some merchants from entering particular trades. For example, slave trade abolitionist and Quaker William Rathbone III never entered the African and West Indies trade directly, likely because of inhumane conditions of the institution of slavery and the slave trade. The lack of networks, knowledge, and risks associated with new ventures deterred most Liverpool merchants from entering into trading ventures in a new region. Established competition also reduced entry of new merchants into new operations. Although there are no conclusive studies of British merchants' capital accumulation in the eighteenth century, historian Stanley D. Chapman noted that the capital requirement of operating as a merchant in the late eighteenth century likely declined.³⁴ Thus, the barriers to

³³ Calculated based on statistics published in Smithers, p. 147; see Appendix B for conversion of cargo units.

³⁴ Stanley D. Chapman, *The Merchant Enterprise in Britain: From the Industrial Revolution to World War I*, (Cambridge: Cambridge University Press, 1992), p. 26.

operate as a merchant decreased in the late eighteenth century, adding to the competition in the cotton trade a decade later.

Table 3.4: Liverpool cotton importers' regional market concentration, 1770-1810

Regional Concentration	1770-1779 firm no.	1780-1789 firm no.	1790-1799 firm no.	1800-1809 firm no.
90+ % from one region	22	19	17	23
75-89 % from one region	3	4	7	1
50-74 % from one region	4	6	4	4
< 50 % from one region	1	1	2	2
Total	30	30	30	30

Note: Table summaries data from the 30 leading Liverpool cotton importers.

"One region" means one of the three major geo-political areas for cotton shipping of North America; West Indies and Guyana; Brazil and Portugal.

Source: Krichtal, Liverpool Cotton Database, 1752-1815

Knowing that Liverpool's cotton-importing merchant community expanded in the late eighteenth century, while at the same time the top importing firms operated in one or two ports and colonies, the question arises as to whether Liverpool merchants began specialising in importing cotton as cotton imports increased from Guyana, Brazil and the United States. A number of major Liverpool cotton importers had a diverse investment portfolio. For example, the Rathbones owned a timber yard in Liverpool and imported large quantities of timber and other commodities from North America.³⁵ The Earles owned several vessels in 1780-1815, invested into the slave trade, operated as Liverpool sugar refiners, and established a merchant house in Leghorn.³⁶ Thomas Barton, of Barton, Irlam & Higginson, owned several plantations in Barbados in the

³⁵ LCD; Frank Neal, 'Liverpool shipping in the early nineteenth century', in Jarvis R. Harris (ed.) *Liverpool and Merseyside: Essays on the Economic and Social History of the Port and its Hinterland*, (London: Frank, Cass & Co, 1969), p. 172.

³⁶ Behrendt, Liverpool Ship Registers Database Database, 1786-1808; Trans-Atlantic Slave Trade Database, www.slavevoyages.org; Article of Partnership for Carrying on the Sugar Refinery at the Haymarket Sugar House, Liverpool, 5 April 1763, Earle Papers, D/Earle/4/1, *Merseyside Maritime Museum*; Earle, p. 41.

early nineteenth century.³⁷ It is impossible, however, to calculate the extent to which Liverpool merchants specialised in cotton importation by the early nineteenth century since it would require a complete investment portfolio of these merchants.

Historians have attempted to estimate specialisation of Atlantic ports' merchant communities in the eighteenth and nineteenth century by focusing on: import and export trade volume organised by individual merchants; ship ownership; involvement in other professions like brokerage; and investment portfolios where available.³⁸ Merchants in the Atlantic trade by the late eighteenth century seemed to specialise the most by geographical area of operations. Merchants specialising in trading with only one or two regions were evident in London in the seventeenth century and in ports of the United States in the second half of the eighteenth century.³⁹ Thomas M. Doerflinger, for instance, analysing Philadelphia's merchant in 1750-1791, found Philadelphia merchants in the 1780s specialised in either dry goods or provisions trades, and geographically, with larger merchants tending to specialise less and operate with more than one trading region.⁴⁰ In the provisions trade, additional specialisation was evident in: shipping, those in the export and import trade; flour and lumber trade, those providing outward cargo for shippers; and distributors, those marketing and selling shipper's inward cargoes in Philadelphia's hinterland.⁴¹

Although it would not give a complete picture of Liverpool's merchant community specialisation in cotton importation, one can estimate their degree of specialisation by analysing the Liverpool import statistics published in Lancashire newspapers. Assuming merchants largely operated as commission merchants on a similar commission rate across different trades, it is possible to estimate the degree of cotton specialisation by converting and then comparing the value, in pounds sterling, of each large Liverpool importer's cotton consignments to the total value of consignments for a particular period of time.⁴² Because of the large volume of Liverpool's import trade by the late eighteenth century, this study sampled three years, 1795, 1805, and

³⁷ Butler, pp. 56-57.

³⁸ See Guenther, pp. 36-38; Simon Ville, 'The Growth of Specialization in English Shipowning, 1750-1850', *Economic History Review*, New Series, Vol. 46, No. 4, November 1993, pp. 702-722; Thomas M. Doerflinger, 'Commercial Specialisation in Philadelphia's Merchant Community, 1750-1791', *Business History Review*, Vol. 57, No. 1, Spring, 1983, pp. 20-49.

³⁹ Stanley D. Chapman, 'British Marketing Enterprise: The Changing Roles of Merchants, Manufacturers, and Financiers, 1700-1860', *Business History Review*, Vol. 53, 1979, p. 209; Doerflinger challenges the notion that merchants in the United States were "all purpose" merchants who did not specialise before 1815, 'Commercial Specialisation', pp. 20-21.

⁴⁰ Doerflinger, 'Commercial Specialisation', pp. 23-24.

⁴¹ Thomas M. Doerflinger, *A Vigorous Spirit of Enterprise: Merchants and Economic Development in Revolutionary Philadelphia*, (Chapel Hill: University of North Carolina Press, 1986), p. 78.

⁴² The non-publication of Liverpool's export statistics restricts this estimation solely to the import trade.

1815. The degree of specialisation of each of the top thirty cotton importers in 1795, 1805, and 1815, was then organised into categories of ‘Perfect Specialist’, ‘Near-Perfect Specialist’, ‘Marginal Specialist’, and ‘Non-Specialist’. The categories were based on the percentage of the value of cotton imported compared to the total value of that merchant’s imports.⁴³ David M. Williams used this form of specialisation classification, based on surviving Liverpool’s Customs Bills of Entry for the sample years of 1820, 1830, and 1839, to estimate the increasing specialisation of Liverpool’s top thirty cotton importers in 1820-1850.⁴⁴

Table 3.5: Specialisation of Liverpool’s top thirty cotton importers for 1795, 1805, and 1815

Year	Merchant Group	PS	NPS	MS	NS
1795	Top 1-10	0	1	4	5
	Top 11-20	0	0	2	8
	Top 21-30	1	1	1	7
	Total	1	2	7	20
1805	Top 1-10	1	3	3	3
	Top 11-20	1	0	3	6
	Top 21-30	1	0	3	6
	Total	3	3	9	15
1815	Top 1-10	1	1	4	4
	Top 11-20	1	2	3	4
	Top 21-30	5	0	2	3
	Total	7	3	9	11

Sources: Krichtal, Liverpool Cotton Database, 1752-1815

PS = Perfect Specialist; NPS = Near Perfect Specialist, MS= Marginal Specialist; NS= Non-Specialist

Most of the top thirty Liverpool cotton importers continued to operate as general merchants prior to 1815. Despite the expansion of the Liverpool cotton trade, large Liverpool cotton importers—those in the top ten ranking—showed little sign of specialising in cotton importation; they continued to operate as general merchants in the early nineteenth century. Only one of the top ten Liverpool importers in 1815 operated as a ‘Perfect Specialist’, and another as a ‘Near-Perfect Specialist’. In 1815, two-thirds of Liverpool’s top thirty cotton importers were either ‘Non-Specialists’ or ‘Marginal

⁴³ See Appendix E.

⁴⁴ Although Williams does not explain how he calculated each category, he gave each merchant a category of ‘Perfect Specialist’ (P.S.), Near-Perfect Specialisation (N.P.S.), Marginal Specialisation (M.S.), and Non-Specialisation (N.S.), Williams, ‘Liverpool Merchants and the Cotton Trade’, pp. 42-51.

Specialists'. Large Liverpool importers continued operations as general merchants because of the risks associated investing solely into one commodity during a period of high volatility and market fluctuations. Additionally, increasing competition in the cotton trade did not allow large importers to monopolise the cotton trade despite their large capital holdings. Furthermore, large Liverpool merchants did not favour specialisation in cotton importation because of the relatively low volume of the Liverpool cotton trade in 1815 compared to the mid-nineteenth century (Table 3.5).

Table 3.6: Liverpool cotton importers in 1815 categorised as 'Near-Perfect Specialists' and 'Perfect Specialists'

Merchant	Supply	Specialisation	Occupation	Top thirty ranking	Amount (000s lbs.)
Costa, Guimarãens & Co	B	NPS	merchant	9	1,228
John Hancock & Co	B	PS	merchant	10	1,223
Eason, Jenner & Co	US	NPS	merchant	11	1,177
Lyne, Hathorn & Co	B	PS	merchant	17	837
Dyson Brothers & Co	B	NPS	merchant	18	832
William Forde	US	PS	merchant	19	793
John Marshall	US	PS	broker	22	727
Nicholas Waterhouse	G	PS	broker	24	675
Harrison & Latham	B	PS	merchant	27	613
T. Davidson	US	PS	-	30	550

Sources: Krichtal, Liverpool Cotton Database, 1752-1815; *Gore's Liverpool Directory*, 1813.

PS = Perfect Specialist; NPS = Near Perfect Specialist

B – Brazil; US – United States; G – Guyana

A group of smaller Liverpool cotton importers increasingly specialised solely in cotton importation. The number of top thirty Liverpool importers operating as 'Perfect Specialists' increased from one in 1795, to three in 1805, and seven in 1815. The number of 'Near-Perfect Specialists' also increased from two in 1795 to four in 1815. In particular, a group of smaller importers—those in the 21-30 ranking—showed signs of specialisation in cotton importation. By 1815, of the ten cotton importers in the 21-30 ranking, five operated as 'Perfect Specialists'. Furthermore, specialisation was disproportionately evident in merchants that procured most of their cotton from Brazil. For example, only five of the top thirty Liverpool cotton importers in 1815 imported cotton predominantly from Brazil, compared to nineteen that imported from the United States. All but one (a Near-Perfect Specialist) of the Brazilian cotton importers in 1815

were ‘Perfect Specialists’ (Table 3.6). The trend of Liverpool merchants operating in Brazil and specialising in cotton importation was not a decision on the merchant’s part, but rather a consequence of the inadequacy of raw material variety, except cotton, some dyewoods, and hides that could be sent to Liverpool in return for shipments of British manufactured goods and plantation provisions.

Therefore, Liverpool’s merchant community gradually specialised in cotton importation, evident mostly in a group of smaller cotton importers, but nevertheless, apparent prior to 1815. Price fluctuations, market volatility, and increased competition on the Liverpool market deterred many importers from expanding into ventures outside of their regional specialisation, and from specialising solely in cotton. Unwillingness or inability to specialise solely in importing cotton by most of Liverpool’s top cotton importers in the late eighteenth century led to a de-concentration of the Liverpool cotton market, where few large firms could not fix cotton prices. Competition on the Liverpool market, therefore, put downward pressure on cotton prices, passing down savings arising from a competitive cotton selling market to a group of cotton buyers and their agents. Whether a similar specialisation in cotton and a de-concentration of the port’s market was evident in the port’s cotton brokerage community—in charge of distribution, marketing and selling of cotton in Liverpool—is discussed below.

Little is known about how Liverpool merchants sold cotton in the first half of the eighteenth century. The method of selling cotton likely remained rudimentary until the volume of cotton imported into Liverpool expanded in the late eighteenth century.⁴⁵ Liverpool historian Stanley Dumbell noted that importers in the early eighteenth century likely sold cotton from their own warehouses in a private sale to a group of regular customers from Manchester and Lancashire.⁴⁶ A private sale was the most common form of conducting a sale, but sellers preferred to auction cotton when the stock was damaged, of uncommon variety, or when a quick sale was desired.⁴⁷ Cotton sales advertised in Liverpool newspapers suggest that small quantities of cotton were sold by private sale or auction because of the weak demand from the nascent Lancashire cotton industry and a low volume of the port’s trade for most of the century. Additionally,

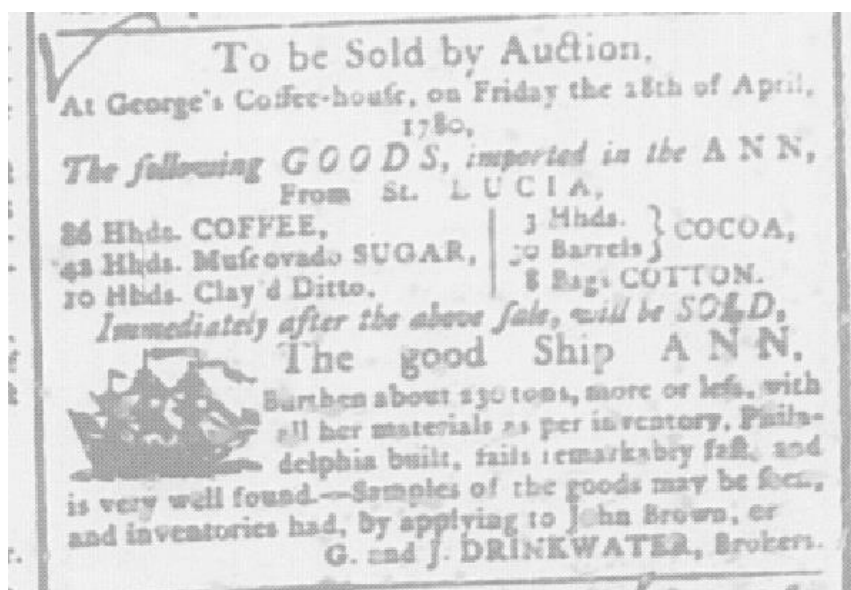
⁴⁵ Dumbell, ‘Early Liverpool Cotton Imports’, pp. 365-366.

⁴⁶ Dumbell, ‘Early Liverpool Cotton Imports’, p. 363.

⁴⁷ For examples of damaged cotton or unusual variety of cotton sold by auction see *Liverpool’s General Advertiser*, 5 July 1781, 26 September 1783; Dumbell, ‘Early Liverpool Cotton Imports’, p. 365.

since advertisements did not always include quality or quantity of cotton, it implies a developing cotton market in Liverpool prior to the mid-1780s (Figure 3.2).

Figure 3.2: Cotton Advertisement in *Liverpool General Advertiser*, 21 April 1780



Source: *Liverpool General Advertiser*, 21 April 1780

By the late eighteenth century, Liverpool established itself as the major wholesale market for buying cotton in bulk. London, Bristol, Glasgow, Lancaster, and Whitehaven, all wholesale markets, fed major regional textile centres, but Liverpool developed during the late eighteenth century into the biggest cotton wholesale market in Britain. By 1800, cotton sales in Merseyside were organised in lots ranging from 5 to 200 bags, mostly sales of tens of bags at a time and usually bought by one buyer.⁴⁸ In contrast, in Manchester, dealers sold cotton a few bags at a time to cotton manufacturers who could not buy cotton in bulk in Liverpool. For example, Liverpool merchant Clayton Tarleton, writing to his brother Thomas on 29 February 1792, stated that cotton was sold in Manchester “in lotts of 4, 5 or 7 bags with a view to induce the manufacturers to buy from the dealer”.⁴⁹ Thus, Lancashire cotton manufacturers like McConnel & Kennedy purchased only a few bags at a time, although the volume of

⁴⁸ Based on transactions found in Waterhouse Ledger, 1799-1802, MS25.54, *LUSCA*; Hyde, et al., ‘The Cotton Broker’, pp. 77-78.

⁴⁹ Clayton Tarleton to Thomas Tarleton, Liverpool, 29 Feb 1792, Tarleton Papers, TAR/4/15, *LRO*.

their individual purchases increased during the early nineteenth century as the firm expanded.⁵⁰

A general pattern of selling cotton developed in Liverpool by the early nineteenth century. The volume of the port's cotton trade attracted increasingly more people to its market, as sellers, buyers, and their agents began to regularly congregate outside the Exchange—the future Town Hall of Liverpool—to discuss and conduct trade.⁵¹ Private sales and auctions also continued to be conducted in importers' and their agents' warehouses, as well in coffee shops, especially George's Coffee House because of its geographical proximity to the Exchange. Liverpool merchants, specialising in maritime trade, sold cotton on the market, acting as agents for planters, other merchants, or operating on their own account. Buyers, usually Manchester and Lancashire dealers, bought cotton in bulk in Liverpool and marketed it to small spinners inland. Lancashire cotton spinners preferred purchasing cotton, despite higher prices, from local dealers rather than from Liverpool importers for four major reasons. Cotton dealers saved spinners' time by travelling to Liverpool to make cotton purchases. They also alleviated risks associated with purchasing cotton in bulk. Additionally, most cotton spinners did not have the capital reserves needed to purchase cotton in Liverpool.⁵² Furthermore, dealers provided cotton spinners credit terms more favourable than those offered by Liverpool importers.⁵³

Increasingly, cotton transactions in Liverpool passed through the hands of a more specialised middlemen, the cotton broker. Brokers acted as intermediaries between sellers and buyers on the Liverpool cotton market. They worked as agents for the cotton importer or the Lancashire dealer and cotton manufacturer, or sometimes both. They organised cotton sales and purchases, and conducted miscellaneous duties like transport and provision of credit. For these services they charged a commission. The importance of cotton brokers as middlemen between sellers and buyers in Liverpool's late eighteenth and early nineteenth century cotton trade was initially downplayed by historians Thomas Ellison and Norman S. Buck,⁵⁴ but challenged in the early twentieth

⁵⁰ Daniels, 'Early Records', p. 179.

⁵¹ Ellison, pp. 168-169.

⁵² For estimates of capital of British cotton manufacturers see Stanley D. Chapman, 'Fixed capital Formation in the British Cotton Industry, 1770-1815', *Economic History Review*, Vol. 23, No. 2, 1970, pp. 235-266.

⁵³ For example, McConnel & Kennedy in the 1790s purchased cotton from several dealers, usually receiving a credit of two months, at the end of which they were paid by a two months' bill. By the early nineteenth century, Lancashire dealers extended credit to the firm up to four or even eight months. In Liverpool, however, a purchaser would be given, on average, ten days' credit and expected to pay by a three months' bill, Edwards, p. 119.

⁵⁴ Edwards, p. 117; Buck, p. 50; Ellison, p. 166.

century by Stanley Dumbell and later by Francis Hyde, Bradbury Parkinson, and Sheila Mariner.⁵⁵ Although conclusions made by Dumbell, and Hyde and colleagues were largely based on records of one Liverpool brokerage firm, Nicholas Waterhouse & Co, further research by Nigel Hall, based on records of early nineteenth century brokers Francis Reynolds and M. & J. Pool, confirmed Hyde and colleagues' assessment of the role, power, and importance of cotton brokers in the Liverpool cotton trade prior to 1815.⁵⁶

Table 3.7A: The Number of Merchants and Brokers in Liverpool, 1766-1805

Year	Brokers	Merchants	Dealers	% brokers/ merchants
1766	13	219	21	5.9
1774	22	355	40	6.2
1787	55	418	84	13.2
1796	83	666	134	12.5
1805	189	986	199	19.2

Note: Between 1766 and 1805 business professions expanded to include, among others, warehouse keepers, dealers, victuallers and shopkeepers.

Source: Haggerty, *British-Atlantic Trading Community*, 1760-1810, pp. 77, 82, 92.

Table 3.7B: Expansion of Liverpool's cotton brokerage, dealer, and merchant community, 1790-1813

	Cotton Broker	Cotton Dealer	Cotton Merchant
1790	4	0	1
1800	5	3	4
1813	25	13	2

Source: *Gore's Liverpool Directory*, 1790, 1800, 1813.

The brokerage profession was evident in Liverpool by the middle of the eighteenth century, but their importance and number of brokers remained small until the late eighteenth century.⁵⁷ Based on analyses of Liverpool street directories, 1766-1805, Haggerty noted the sharp rise in the number of occupations classified as 'merchants' and 'brokers'. Most importantly, by 1805, the number of specialised brokers had increased to 189, a 14.5 fold increase from 1766. The number of merchants quadrupled over this forty-year period, and thus the ratio of brokers-to-merchants more than tripled

⁵⁵ Dumbell, 'The cotton market in 1799', pp. 141-148; Hyde, et al., 'The Cotton Broker', pp. 75-83.

⁵⁶ Edwards, p. 117; Hall, 'Liverpool Raw Cotton Market, 1800-1850', pp. 65-81.

⁵⁷ Dumbell, 'Early Liverpool Cotton Imports', p. 365.

(Table 3.7 A). Not all brokers appearing in Liverpool's directories handled cotton sales, but increasingly, a group of more specialised cotton brokers began operating in Liverpool. The number of individuals appearing in *Gore's Liverpool Directory* as a 'cotton broker' increased from four in 1790 to twenty-five in 1813. By 1815, the profession was well established in Liverpool's cotton market (Table 3.7 B).

A successful Liverpool cotton broker needed intricate and intimate knowledge of the cotton market, the subtle variations in cotton, and the needs of their customers. Brokers first graded cotton based on its colour, strength, length of fibre, and cleanliness from debris, and then sorted cotton in lots of similar grades and varieties in preparation for sale. The increased variety of cotton available on the market required expertise in grading not possessed by most Liverpool merchants. In 1779, for example, the quality of cotton from the West Indies and Guyana was distinguished largely by geographical location, based on past experiences: Dutch Guyana and St. Domingue was considered "fine cotton", and cotton from Tobago, Guadaloupe and Grenada were also of good quality, while Barbadoes, Tortola, and St. Vincent varieties were of a lower quality.⁵⁸ By 1808, *Rees's Cyclopedia* differentiated thirty-eight types of cotton varieties: four from North America; thirteen from South America; sixteen from the West Indies; four from the East Indies; and one from the Mediterranean.⁵⁹

Buying clients also expected their brokers to anticipate the types of varieties that would best meet manufacturing needs. Manufacturers used the finest cotton—Bourbon and Sea Island cotton—for muslin manufacturing. Pernambuco cotton—another fine, long, and clean staple—was desired by hosiery manufacturers while the short staple and sometimes dirty Bowed or 'Upland Georgia' cotton was used for cheap and inferior textiles. Manufacturers frequently combined two or more varieties of cotton to produce the required 'count'. Stronger and longer varieties were especially good for twist while lower grade cotton could be used for weft.⁶⁰ Therefore, cotton brokers needed to supply dealers and manufacturers with ever-differing varieties and volumes of cotton.

Brokers corresponded regularly with their customers and by the beginning of the 1790s, published and sent weekly price circulars to inform clients about developments on the Liverpool market. Liverpool brokers Ewart & Rutson published the earliest surviving circular in 1798.⁶¹ Circulars, sent to clients and potential clients to attract new business, summarised Liverpool market conditions, including changes in the price of

⁵⁸ Slack, pp. 24-25.

⁵⁹ Fitton and Wadsworth, pp. 265-269.

⁶⁰ Dumbell, 'Early Liverpool Cotton Imports', p. 370; Edwards, p. 122.

⁶¹ Trade Circular, 23 January 1798 to 10 December 1800, Ewart, Rutson & Co, 380 COT/1/13/1, *LRO*.

different types of cotton sold on the market the previous week. Ewart & Rutson's circulars did not differentiate grades in 1798, but they did by 1805.⁶² Other brokers like Samuel Hope, M. and J. Pool, and Edgar and Corrie also published their own price circulars and dispatched them to clients in England, Ireland, and Scotland.⁶³ By 1811, Ewart & Rutson and others developed a clear grading system of the major types of cotton in these circulars.⁶⁴

Increasingly, cotton brokers adhered to the sale-by-sample technique that cut cost and increased efficiency of operations between the broker, inland dealer, and cotton manufacturer. Traditionally, buyers or their agents walked, warehouse by warehouse, and inspect cotton prior to the sale in Liverpool. Then, from at least 1780, Liverpool merchants had begun experimenting with the sale-by-sample technique.⁶⁵ Collecting a number of samples and comparing quality of each lot allowed buyers to make the most informed decision prior to a sale. Alternatively, samples could be sent by post which allowed buyers or agents to inspect cotton without having to travel to Merseyside. Since speed was essential in a market where prices fluctuated frequently, the brokers obtained samples of cotton from the importer or his selling broker and sent them to a cotton manufacturer for his inspection.⁶⁶ Based on the sample, the cotton manufacturer sent an offer to his buying broker who then forwarded it to the cotton importer and selling broker; if accepted, a sale was conducted.⁶⁷ By 1815, Liverpool brokers regularly sent samples of their stock to spinners.⁶⁸

With such extensive knowledge and expertise required from a cotton broker in Liverpool, it is little wonder that a number of Liverpool cotton brokers were migrants from Lancashire textile centres. As noted by Nigel Hall:

The cotton broker's function could not evolve through the specialisation by general merchants; the specialised knowledge and skill which the conditions of the time demanded were to some extent acquired outside of Liverpool.⁶⁹

⁶² Dumbell, 'the cotton market in 1799', p. 147; Trade Circular, 5 January 1805, Ewart, Rutson & Co, 380 COT/1/13/3, *LRO*.

⁶³ Hall, 'Liverpool Raw Cotton Market, 1800–1850', p. 76.

⁶⁴ Trade Circular, 5 January 1811, Ewart, Rutson & Co, 380 COT/1/13/11, *LRO*.

⁶⁵ See for example *Liverpool General Advertiser*, 24 March, 9 June 1780.

⁶⁶ Edwards, p. 123.

⁶⁷ Edwards, p. 123.

⁶⁸ For example, Liverpool brokerage firm of M. & J. Pool sent samples of cotton regularly by coach to Preston spinner John Eamer, Hall, 'Liverpool Raw Cotton Market', p. 78; in 1788, cotton manufacturer William Evans of Derbyshire asked Henry Slack, a Liverpool broker, to send him cotton samples by coach, Lindsay, p. 284.

⁶⁹ Hyde, et al., 'The Cotton Broker', pp. 80-81.

Thomas Ellison, a nineteenth century cotton broker and historian, gives the most detail on the formation of early cotton brokerage firms in Liverpool, noting for example, that John Slack, before moving to Liverpool, was apprenticed to a Manchester cotton dealer in 1779.⁷⁰ William Peers, a cotton spinner in Stockport in the 1780s, opened a brokerage operation in Liverpool in the early 1790s.⁷¹ Brokers Thomas & Isaac Littledale were from a prominent Lancaster merchant family, establishing brokerage operations in Liverpool by 1795.⁷² Ellison also surmised that Liverpool's master cotton brokers trained apprentices—the next generation of Merseyside cotton brokers—a finding confirmed from an examination of the Board of Stamps Apprenticeships books, 1710-1811.⁷³ For example, George Dunbar, a broker in Liverpool, apprenticed both William Ewart and William Rutson, who in the 1780s established the major brokerage concern Ewart & Rutson.⁷⁴ Samuel Hope, son of William Hope, merchant, worked as apprentice to Nicholas Waterhouse and commenced business on his own account by 1805, becoming a prominent Liverpool broker in the early nineteenth century.⁷⁵

Of this new group of brokers operating in Liverpool's cotton trade c. 1800, Nicholas Waterhouse was probably the biggest and the most profitable. Waterhouse served as apprentice to a Bolton fustian manufacturer, and for a time worked in a Manchester cotton warehouse.⁷⁶ In 1790, he set up a firm on 16 Litherland Lane, Liverpool, operating under the name Nicholas Waterhouse & Co.⁷⁷ The knowledge, expertise, and business networks he had established during his early career in cotton manufacturing allowed him to quickly establish operations in Liverpool, and to take advantage of the increase in volume needed to sustain a more specialised profession as a cotton broker. His ledger, that survives for 1799-1802, recorded his brokerage activities with British, mostly Liverpool and Lancashire clients. Based on Waterhouse's ledger, Dumbell suggests Waterhouse handled annually about 25,000 bags of cotton in 1799.⁷⁸

⁷⁰ Ellison, pp. 243-244.

⁷¹ Ellison, p. 236.

⁷² Ellison, p. 213.

⁷³ The books record money and duty received in payment for indenture of apprentices by the master for 1710-1810. Not all masters paid a duty for indentures of apprentices and some industries were never subject to the duty, therefore, not all indentures were recorded in the series. In general, the books record Liverpool brokers in the late eighteenth century apprenticing major Liverpool brokers of the early nineteenth century. For example, Liverpool broker George Dunbar paid an indenture duty for the apprentice Thomas Midgley, on 24 February 1781 and Richard Ackers, on 28 August 1792. Ewart & Rutson paid duty for apprentice William Ferriday on 24 August 1792 and Higginbotham Lowe, on 6 December 1790, Board of Stamps: Apprenticeship Books, IR 1, *National Archives*.

⁷⁴ Ellison, pp. 187-188.

⁷⁵ Ellison, p. 199.

⁷⁶ Hyde, et al., 'The Cotton Broker', p. 76.

⁷⁷ *Gore's Liverpool Directory*, 1790.

⁷⁸ Dumbell, 'the cotton market in 1799', p. 142.

Comparing volume of bags handled by Waterhouse to the total Liverpool imports of 86,784 bags for the same year suggests that the broker sold almost 30 percent of the cotton on the Liverpool market c. 1800. Operating in 1799-1801 under an annual average capital of about £13,500, Waterhouse's annual profits totalled about £6,000 in the same period.⁷⁹ With such a high volume turn over and a high profit-to-capital ratio of almost 0.5:1, Waterhouse died in 1823, after three decades of operations as one of the wealthiest men in Liverpool, with a fortune worth at least £100,000.⁸⁰

Waterhouse acted both as a buying and selling broker in Liverpool for some of the biggest cotton importers, Lancashire cotton dealers, and cotton manufacturers.⁸¹ About two-thirds of Waterhouse's transactions, however, were conducted as a selling broker.⁸² He operated as a selling broker for some of the biggest Liverpool cotton importers like the Rathbones, John Bolton, and the Earles, building a strong relationship with his importing clients, an essential requirement of a successful broker according to Hyde and colleagues.⁸³ Waterhouse organised sales, remitted or accepted bills for the importers, and dealt with grievances on the part of the buyer or the buyer's agent.⁸⁴ For his service, he charged a brokerage fee of ½ percent, consistent with the general fee associated with brokerage in the late eighteenth century.⁸⁵

A number of Liverpool brokers, like Waterhouse, acted both as agents to sellers and buyers on the Liverpool market. Despite a clear separation between a buying and selling broker evident in the mid-nineteenth century, as argued by Ellison,⁸⁶ a number of Merseyside brokers, appearing in cotton advertisements in Liverpool newspapers in 1780-1815, operated as both. Ewart & Rutson, for example, acted as buying brokers for cotton manufacturers the Strutts, and operated as selling brokers for Liverpool merchants John Dawson, Thomas Barton, Lowther & McVicar, and Humble, Holland & Hurry.⁸⁷ Samuel Hope also operated as a broker for the Strutts and appeared in Liverpool newspapers advertisements handling cotton sales for merchants J. & M.

⁷⁹ Waterhouse Ledger, 1799-1802, MS25.54, *LUSCA*; Hyde, et al., 'The Cotton Broker', pp. 81-83.

⁸⁰ Hyde, et al., 'The Cotton Broker', p. 80.

⁸¹ Waterhouse Ledger, 1799-1802, MS25.54, *LUSCA*.

⁸² Dumbell, 'The cotton market in 1799', p. 143.

⁸³ Hyde, et al., 'The Cotton Broker', pp. 76-77.

⁸⁴ Hyde, et al., 'The Cotton Broker', p. 77.

⁸⁵ Dumbell, 'The cotton market in 1799', pp. 145-146; Waterhouse Ledger, 1799-1802, MS25.54, *LUSCA*; Thomas Barton's broker and John Gladstone's broker also charged ½ percent for their services, see chapter two.

⁸⁶ Ellison, p. 175.

⁸⁷ Fitton and Wadsworth, p. 342; Ewart and Rutson worked as a broker for: John Dawson, *Gore's Liverpool Newspaper*, 15 August 1793; Thomas Barton, *Gore's Liverpool Newspaper*, 16 July 1795; Lowther & McVicar, *Gore's Liverpool Newspaper*, 25 February 1796; and Humble, Holland & Hurry, *Gore's Liverpool Newspaper*, 19 April 1798.

McCall.⁸⁸ The Liverpool brokerage firm Richard Dobson & Co also appeared as brokers in Liverpool cotton advertisements for cotton importer Thomas Moss, while at the same time acting as agents for the Lancashire dealer James Carlile.⁸⁹ Certainly a number of brokers such as Holt & Davis and George Marsden operated solely as selling or buying agents, but many Liverpool cotton brokers prior to 1815 performed both functions.⁹⁰

As a buying broker, Waterhouse bought a variety of cotton required by his Lancashire clients. Buying brokers advertised cotton stocks in Liverpool newspapers, sent circulars to their clients, sold stock from their warehouses, attended public auctions, and purchased cotton for their clients. Waterhouse acted as a buying broker for some of the biggest cotton dealers and manufacturers like the Strutts, Robert Peel, and Robert Spear.⁹¹ Part of his duties required him to take care of any incorrect transactions and dealt directly with Liverpool cotton importers and sellers.⁹² In performing these services, Waterhouse saved time for his clients who, in turn, could concentrate on cotton manufacturing and marketing cotton to smaller spinners in the Lancashire textile centres. Payments between a broker and his buying clients were conducted under short-term credit. Waterhouse adhered to the short-term credit system, usually giving ten days credit and expecting his buying clients to pay with a three-month bill.⁹³ Based on the client, brokers sometimes extended credit to fourteen days and accepted payments by a bill anywhere from two to four months.⁹⁴

Conversely, large brokers who operated both as a buying and selling broker, like Waterhouse, extended large credit sums to Liverpool importers. Lancashire clients did not, according to Hall, receive large credit advances from the buying brokers because brokers simply did not value their business as much as the importer; these merchants simply handled more cotton than spinners.⁹⁵ Brokers extended credit early to importers, when paying handling charges such as freight, import dues and insurance as an advance against a sale of a recent consignment.⁹⁶ Waterhouse frequently charged interest to his

⁸⁸ Fitton and Wadsworth, p. 342; LCD.

⁸⁹ *Gore's Liverpool Directory*, 1 September 1796; Wine and Cotton Order Book, 1792-1809, Sandeman and Sons & Co, CLC/B/196/MS08645, LMA.

⁹⁰ For Holt and Davis see Ellison, pp. 166-167; neither Holt & Davis nor George Marsden appeared as brokers selling cotton for Liverpool importers in Liverpool newspapers, 1780-1815, LCD; George Marsden was known to send cotton circulars to Manchester cotton manufacturers McConnel & Kennedy, Lee, p. 91.

⁹¹ Waterhouse Ledger, 1799-1802, MS25.54, LUSCA.

⁹² Hyde, et al., 'The Cotton Broker', pp. 77-78; Waterhouse Ledger, 1799-1802, MS25.54, LUSCA.

⁹³ Fitton and Wadsworth, p. 271.

⁹⁴ Dumbell, 'cotton market in 1799', p. 148; Hall, 'Liverpool Raw Cotton Market, 1800-1850', pp. 79-80.

⁹⁵ Hall, 'Liverpool Raw Cotton Market, 1800-1850', pp. 79-80.

⁹⁶ Hyde, et al., 'The Cotton Broker', p. 77.

importing clients, usually at about 5 percent on importers' overdrawn accounts.⁹⁷ Apart from early extensions of credit, Liverpool importers also required large sums of credit. For example, Hall noted that by April 1801 Thomas & William Earle received credit worth £23,505 25s from Waterhouse.⁹⁸ The broker also extended large amounts of credit to his other major clients like Rathbone, Hughes & Duncan, Tarleton & Backhouse, and John Bolton.⁹⁹ Waterhouse's competitors, such as the large brokerage firm of M. and J. Pool also extended similarly large sums to their clients.¹⁰⁰ The ability to advance large sums of credit explains why some brokers like Waterhouse commanded a high market share of the Liverpool cotton market c. 1800.

The entry of new brokers diluted the market share of the port's cotton brokerage profession from the hands of a few large firms like Waterhouse & Co. As new cotton importers entered the port's trade, they preferred services from other brokers with whom they developed better business relationships. For example, two major Liverpool cotton importers in the early nineteenth century, Danson & Walmsley and William Lee, preferred the services of Liverpool brokers Meek & Lowndes instead of Nicholas Waterhouse & Co.¹⁰¹ Some old clients also chose to take their business elsewhere. John Bolton, one of Waterhouse's major cotton importing clients in 1799-1802, appeared in Liverpool cotton sale advertisements in the early nineteenth century with Liverpool brokers Isaac & Thomas Littledale—the Littledales related to Bolton through marriage.¹⁰² Additionally, by 1806, Waterhouse's major Lancashire clients, the Strutts, transferred almost all of their Liverpool purchasing business to broker Samuel Hope, a former apprentice of Waterhouse.¹⁰³ At least four of Waterhouse's former apprentices became established firms in Liverpool and became eminent cotton brokers themselves in the early nineteenth century.¹⁰⁴ Benefitting from Waterhouse's networks of clients, his former apprentices were well positioned to expand their operations.

Increasingly, a number of Lancashire dealers saw cotton brokerage in Liverpool as a new business opportunity. The gradual capital accumulation of large cotton manufacturers, evident from the early nineteenth century, combined with the increased marketing and sale of cotton 'by sample', gradually decreased the role of Lancashire

⁹⁷ Hyde, et al., 'The Cotton Broker', p. 77.

⁹⁸ Hall, 'Business Interest of Liverpool's Cotton Brokers', pp. 343-344.

⁹⁹ Waterhouse Ledger, 1799-1802, MS25.54, *LUSCA*.

¹⁰⁰ Hall, 'Business Interest of Liverpool's Cotton Brokers', pp. 343-344.

¹⁰¹ Examples found in the *Liverpool Chronicle*, 17 April, 14 August 1805,. The attention to detail and speed of transaction expected of cotton brokers by their clients challenged aging brokers like Waterhouse as new and more-energetic individuals entered the brokerage business.

¹⁰² For example see *Liverpool Chronicle*, 26 March 1806.

¹⁰³ Fitton and Wadsworth, p. 271.

¹⁰⁴ Dumbell, 'the cotton market in 1799', p. 148.

dealers as suppliers of cotton to Lancashire cotton manufacturers.¹⁰⁵ A number of Lancashire cotton manufacturers by 1815 began to forgo the services of dealers who, unlike Liverpool brokers, gave long credit terms, ranging between four and eight months,¹⁰⁶ and switched to buying cotton from Liverpool brokers directly. Cotton manufacturers McConnel and Kennedy by 1812, for instance, no longer purchased cotton from local dealers; instead they purchased exclusively from brokers in Liverpool.¹⁰⁷

Daniels suggests that a number of Liverpool brokers supplying McConnel & Kennedy were the same men previously operating as dealers in Lancashire.¹⁰⁸ Price circulars published by Liverpool brokers establish a common practice of Manchester dealers regularly travelling to Liverpool to purchase cotton.¹⁰⁹ Increasingly, a number of cotton dealers established operations in Liverpool, taking on the responsibility of broker and dealer simultaneously. The number of 'dealers' published in Liverpool directories increased from 21 in 1766 to 199 in 1805, and the number of 'cotton dealers' increased from 0 in 1790 to 13 in 1813.¹¹⁰ However, it is wrong to assume that dealers were no longer important in supplying cotton spinners by 1815: Manchester had at least 20 cotton dealers in 1788, more than 40 in 1804, and more than 80 by 1819.¹¹¹ Smaller cotton spinners, as noted by Edwards, likely continued to prefer long credit terms given by dealers, and their influence was evident in circulars published by Liverpool brokers.¹¹²

New entries into the Liverpool cotton brokerage community continued operations in a similar fashion to Waterhouse. The surviving business papers of Francis Reynolds, who worked as a cotton broker in Liverpool by August 1809, attest to the general pattern of operations. In the 1790s, Reynolds, a raw and yarn cotton dealer in Blackburn, occasionally bought cotton from Waterhouse or other Liverpool brokers,¹¹³ and sold cotton to local spinners one or two bags at a time, extending credit to his clients of two & two months.¹¹⁴ After he moved to Liverpool, Reynolds followed the general pattern of brokerage transactions, giving short-term credit extensions to his

¹⁰⁵ Chapman, 'Capital Formation', pp. 235-266; Edwards, p. 123.

¹⁰⁶ Edwards, p. 119.

¹⁰⁷ Edwards, p. 120.

¹⁰⁸ Edwards, p. 120.

¹⁰⁹ Examples of dealers arriving in Liverpool to purchase cotton are found in Trade Circular, 9 January, 16 March, and 22 June 1805, Ewart, Rutson & Co, 380 COT/1/13/3, *LRO*.

¹¹⁰ Haggerty, *British-Atlantic Trading Community*, p. 92; *Gore's Liverpool Directory*, 1790, 1813.

¹¹¹ Hall, 'Liverpool Raw Cotton Market, 1800-1850', p. 66.

¹¹² Edwards, p. 120.

¹¹³ Hall, 'Liverpool Raw Cotton Market', p. 74.

¹¹⁴ Although longer credit up to six months was also given, Francis Reynolds Ledger, acc. 1216, *LRO*.

buying clients of ten days' credit with the sum of the transactions payable by a three months' bill. He charged a standard commission of ½ percent to his clients on top of miscellaneous charges like postage and cartage. He dealt primarily in North American and South American cotton, including Guyana cotton. Reynolds' biggest Liverpool importing client in 1809-1815, John Eason & Co, imported largely North American cotton.¹¹⁵ Since there was no clear distinction between the 'cotton broker' and the 'cotton dealer' in the early nineteenth century Liverpool, Reynolds also operated as a dealer. Reynolds bought cotton from Liverpool importers and sold them to his Lancashire clients on his own account. A number of his transactions appeared in his ledger as transacted "on account & risqué of Francis Reynolds".¹¹⁶ Other Liverpool cotton dealers followed a similar pattern, supplying Lancashire dealers with cotton.¹¹⁷

Brokers, then, occupied an important intermediary position in the Liverpool cotton trade. Their expertise, knowledge, Liverpool-based position and services, as well as credit facilities, especially to the importer, were crucial in the day-to-day running of the cotton trade from the Liverpool docks and marketplace to manufacturing in Lancashire mills. Their numbers expanded in Liverpool as cotton imports increased in the late eighteenth century, but whether they increasingly specialised solely in cotton transactions prior to 1815 is debatable.

Some Liverpool brokers handled cotton transactions in order to expand into other ventures in 1780-1815. In May 1809, for example, cotton broker John Stock entered into a cotton manufacturing partnership with a firm in Wigan, Lancashire.¹¹⁸ A number of other brokers either operated in part as brokers or expanded their ventures into maritime merchant business. Based on the surviving lists of vessels registrations in Liverpool, 1780-1808, the ownership of vessels by Liverpool brokers suggests the profession was not a specialised one by the early nineteenth century. For example, of the sixty-nine individuals appearing in Liverpool newspaper cotton advertisements in 1780-1805 as 'brokers', twenty-eight were part or full owners of vessel registered in Liverpool in 1780-1808.¹¹⁹ Furthermore, of the nine individuals operating in Liverpool in 1790-1800 as 'cotton brokers' according to *Gore's Liverpool Directory*, 1790 and

¹¹⁵ Francis Reynolds Ledger, acc. 1216, *LRO*.

¹¹⁶ Hall, 'Business Interests of Liverpool's Cotton Brokers', p. 347; On 28 May 1813 Reynolds sold eleven bags of Maranhão cotton on his own account, Francis Reynolds Ledger, acc. 1216, *LRO*.

¹¹⁷ For example, Richard Ainsworth of Liverpool supplied John Fleming of Blackburn, and Henry Woods of Liverpool supplied John Lyon of Manchester, Edwards, pp. 113-114.

¹¹⁸ Hall, 'Business interest of Liverpool's Cotton Brokers', p. 350.

¹¹⁹ *Gore's Liverpool Directory*, 1790, 1800, 1803; LCD; Behrendt, Liverpool Ship Registers Database, 1786-1808.

1800, four appeared as owners of vessels registered in Liverpool.¹²⁰ For a number of Liverpoolians, brokerage occupied only part of their business as a number of brokers showed signs of diversification into other ventures.

A number of Liverpool cotton brokers also worked as general merchants. As noted in 1816, by Liverpool broker John Slack, “a great evil exists both in London and Liverpool, by brokers being both merchants and dealers”.¹²¹ If brokers did speculate in cotton, they may have kept it a secret as it could damage their reputation among importers, dealers and manufacturers.¹²² Brokers were tempted to speculate in cotton because of their expertise and knowledge, yet at the same time others would have been less willing to risk their fortunes in such an unstable trade.¹²³ Either way, there was no explicit code of rules that set out the standard for a broker.¹²⁴ Liverpool brokers Ewart & Rutson, who sold an assortment of North American and West Indies commodities in 1780-1815, also worked as Liverpool commission agents for selling rum, sugar, and coffee sent by the London merchant firm Thomas Lumley & Co.¹²⁵ Other Liverpool brokers received consignments of cotton published in Liverpool newspapers, though it is unclear whether they acted as agents in Liverpool for cotton bought by Lancashire dealers or commission merchants working for their network of clients in the Atlantic basin.

Even Nicholas Waterhouse did not solely specialise in cotton during his career, which his 1799-1802 ledger leads one to believe. In 1790, *Gore's Liverpool Directory* published Nicholas Waterhouse & Co as a ‘cotton broker’ but a decade later he appears in Gore’s directory as a ‘merchant’ and his firm Waterhouse & Sill as ‘brokers’.¹²⁶ The firm seldom appeared in Liverpool newspapers advertising cotton sales prior to 1800, but Waterhouse & Sill appeared frequently in the *Liverpool Chronicle* in 1804-1807, advertising sales and auctions of cotton among other commodities like coffee, sugar, and wine.¹²⁷ As a consignee of Liverpool imports in 1770-1815, he mostly received

¹²⁰ Of the four the cotton brokers in *Gore's Liverpool Directory*, 1790, two—George Marsden and Thomas Tattersall—were part owners of at least one vessel registered in Liverpool c. 1785-1795. Of the five cotton brokers in *Gore's Liverpool Directory*, 1800, two—Henry Norris and William Wright—owned at least one vessel registered in Liverpool c. 1795-1805, Behrendt, *Liverpool Ship Registers Database*, 1786-1808.

¹²¹ Slack, p. 19.

¹²² Hyde, et al., ‘The Cotton Broker’, p. 79.

¹²³ Hyde, et al., ‘The Cotton Broker’, p. 78.

¹²⁴ Hyde, et al., ‘The Cotton Broker’, p. 78.

¹²⁵ LCD; Ewart & Rutson to Thomas Lumley & Co, London, 10 June 1809, Ewart and Rutson Papers, C114-1, *National Archives*.

¹²⁶ *Gore's Liverpool Directory*, 1790, 1800.

¹²⁷ For example, see *Liverpool Chronicle*, 25 January, 8 February, and 22 February 1804.

cotton. By 1815, however, he also received large shipments of coffee from Demerara.¹²⁸ His appearance in the Guyana newspaper *Essequibo and Demerary Royal Gazette* c. 1810 as a sender of manufactured goods and plantation provisions to Demerara, suggests that he operated as a general merchant in Liverpool in the early nineteenth century.¹²⁹ By 1813, Waterhouse appeared in Gore's directory as a 'merchant', suggesting that his cotton brokerage, though substantial, was only part of his commercial activities.¹³⁰

Waterhouse was among a group of cotton brokers that held a diversified portfolio in the late eighteenth and early nineteenth century. Brokers Ewart and Rutson, continued to transact sales outside of cotton brokerage and import an array of goods into Liverpool.¹³¹ George Marsden, appearing as a 'cotton broker' in *Gore's Liverpool Directory* in 1790 and a 'cotton merchant' in 1800, imported large amounts of butter from Ireland in the late eighteenth century.¹³² Joshua Holt, operating first in Liverpool as a stay maker in the 1780s, then as a 'cotton broker' in 1790 and as a 'merchant' in 1800, expanded operations under Holt & Davies into importation in the late eighteenth century.¹³³ Two factors led older and large Liverpool cotton brokers like Waterhouse to diversify or continue to hold a diversified trading portfolio prior to 1815. First, diversification into non-cotton ventures minimised the risk of operating in a volatile trade and during a volatile period. Second, Waterhouse's market share of the Liverpool cotton market became increasingly squeezed by new entrants into the port's trade.

A small group of cotton brokers, however, like Thomas Tattersall in 1790s, Richard Green, Henry Norris, and Richard Dobson in the early 1800s continued to operate as cotton brokers or cotton merchants, not appearing as consignees of goods imported into Liverpool on any regular basis.¹³⁴ They usually did not appear as owners of vessels registered in Liverpool, or import commodities outside of cotton, nor did they appear in Liverpool newspapers transacting sales outside of cotton brokerage. They were likely, by 1815, operating in Liverpool solely as specialised cotton brokers.

¹²⁸ LCD.

¹²⁹ *EDRG*, 30 October 1810.

¹³⁰ *Gore's Liverpool Directory*, 1813.

¹³¹ LCD.

¹³² *Gore's Liverpool Directory*, 1790, 1800; LCD.

¹³³ *Gore's Liverpool Directory*, 1790, 1800; LCD.

¹³⁴ *Gore's Liverpool Directory*, 1790, 1800; LCD.

The business community that imported, marketed, and sold cotton in Liverpool underwent significant changes in the period 1770-1815. The number of Liverpool cotton importers, brokers, and dealers increased while the community underwent a major restructuring, evident by 1815. Specialisation of Liverpool's merchant community was not a simple progression towards specialisation in one commodity as a number of brokers and merchants continued to operate in other commodities and invest in other ventures. From 1795 to 1815, however, a group of Liverpudlians increasingly specialised in cotton importation or cotton brokerage. The de-concentration of the Liverpool market from the hands of a few large merchant firms like Tarleton & Backhouse and cotton brokers like Nicholas Waterhouse occurred in the early nineteenth century when new merchants, brokers, and dealers established operations in Liverpool and successfully competed in the port's cotton trade. De-concentration of the Liverpool cotton market shifted power from a few firms to many, and Liverpool was able to supply an expanding volume of cotton at lower prices. In effect, large Liverpool cotton importers and brokers, unable to monopolise the trade, passed on savings to Lancashire dealers and spinners in the early nineteenth century, fuelling the growth of the British cotton industry by supplying it with a cheap and ever expanding supply of raw cotton, an important factor to the growing industrialisation of cotton manufacturing.

CONCLUSION

This thesis analysed Liverpool's business community involved in the organisation of the port's cotton trade for the period 1770-1815. The cotton trade expanded in 1770 from a small and insignificant trade to one of the most important trades in Liverpool by 1815. Though operating during a period punctuated by war and instability, Liverpool's importing community managed to import an ever increasing amount of cotton each decade by establishing new supply sources when old supplies were cut off. Providing a number of services, the port's merchant and brokerage community acted as important middlemen between the cotton planter and the manufacturer in procuring and selling cotton on the Liverpool market.

This thesis utilised a 30,000 record database of cotton imports for the period 1752-1815, created by the author from Liverpool import lists published in Lancashire newspapers, which gave valuable information regarding the volume, geographical distribution, shipping patterns, individuals and firms operating in the port's cotton trade. Information from the database, combined with business papers left by cotton planters, merchants, brokers, and manufacturers, enabled the thesis to piece together the port's cotton trade during its initial expansionary period.

Liverpool emerged to become the major British cotton port by 1815 during a period of dynamic change. The adoption of new technology on plantations and in the factories greatly cut the costs of raw and finished cotton, and increased efficiency in the cotton manufacturing process, from plantation to the marketplace. Improved techniques in planting, shipping, marketing, and manufacturing of cotton further improved the efficiency of the system. The British acquisition of foreign West Indies colonies and the elaboration of mercantile economic thought allowed British merchants to open new supply routes to procure cotton in the Atlantic Ocean. War and government policy, as well as cotton prices, available slave labour, and environmental factors such as hurricanes, pest attacks, and soil deterioration acted both as stimulants and depressants in the expansion of cotton cultivation in the Atlantic. Liverpool's northern geographical location together with proximity to an established textile industry prior to 1750 gave the port an advantage over its competitors, particularly in times of war. The symbiotic relationship between Liverpool's merchant community and Lancashire's cotton manufacturers stimulated the growth and concentration of the British cotton industry in north-west England and the rise of Liverpool as the major British cotton port.

To procure larger amounts of cotton demanded by Lancashire manufacturers, Liverpool importers needed to adjust to pre-existing trading conditions established in the Atlantic economy, and utilise pre-established or develop new networks to sustain the expansion of the port's cotton trade. Therefore, organisation of the port's cotton trade with each major cotton cultivating region in the Atlantic basin—West Indies and Guyana, Portugal and Brazil, and North America—differed. In general, Liverpool cotton importers acted as agents working on a commission for cotton planters, other merchants, and Lancashire manufacturers, yet some purchased cotton on their own account when conditions were favourable or as the organisation of the trade dictated, especially evident in Liverpool's cotton trade with Portugal.

The role that Liverpool merchants played in the organisation of the cotton trade differed by region of supply. Liverpool merchants played the strongest role in the organisation of the port's cotton trade in the West Indies and Guyana, where Liverpool's slave and sugar traders operated plantations, stores, and branches and established direct networks with West Indies planters and merchants prior to the cotton boom of the 1780s. Political instability in the United States and dominance of London-based merchants in the Portuguese trade restricted the role of Liverpool merchants in the organisation of the cotton trade with both nations. Liverpool merchants relied on the services of merchants positioned in major distributing centres like Lisbon and Oporto in Portugal, and Charleston, Savannah, New Orleans, Philadelphia, and New York in the United States, and relied to some extent on some of the less risk-averse Lancashire manufacturers who were willing to import cotton on their own account. In all three regions, however, the well-established Liverpool importers who aggrandised a large part of the port's cotton trade in the 1770s and 1780s found themselves competing increasingly with new merchants in the early nineteenth century.

The expansion of the cotton trade brought with it changes in the structure of Liverpool's merchant community and in the port's cotton market. Regional specialisation of Liverpool merchants, combined with expansion of cotton supply sources and the entry of new merchants by the early nineteenth century, de-concentrated the Liverpool cotton market. Increased volume of cotton imports in the early nineteenth century also resulted in more of the major Liverpool importers specialising in cotton, while a new group of cotton brokers and dealers marketed and sold cotton on the market, thus increasing efficiency in the system. Distinctions between the importer, the dealer, and the cotton broker were not always well defined in this period, but increased specialisation and the formation of more defined roles were evident by 1815.

Ultimately, Liverpool merchants were the key suppliers of raw cotton to the Lancashire cotton industry and ensured the continued industrialisation of the British cotton industry. Innovation in cotton planting and spinning played an important role in decreasing the cost of cotton manufacturing prior to 1815, while major cost cutting in cotton transportation associated with railroad construction, steam shipping, and the use of purpose-built vessels for carrying cotton would not be evident until the mid-nineteenth century. It was developments in Liverpool, however, that also had an impact on expanding the Lancashire cotton industry. Liverpool's community managed to procure ever increasing volume of cotton to satisfy the demand of the growing industry during a period of on-going warfare and political instability, without which the cotton industry could not have expanded as quickly as it did in the late eighteenth century. The greater specialisation and sophistication of the port's cotton handling community increased efficiency in the importing, marketing, and selling stages of the cotton market. The de-concentration of the port's market, evident both in the importer and the brokerage professions, provided market conditions to ward off artificially high prices, creating a cheap supply of cotton needed, among other factors, to sustain the industrialisation in the nineteenth century.

APPENDICES

Appendix A: Newspapers documenting Liverpool cotton imports

The *Manchester Mercury*, which survives for 1752-1815, published weekly Liverpool imports except for three gaps in its run. From March 1754 to April 1768, and from 18 Oct 1810 to end of 1815, the newspaper did not print the amount of each commodity, but rather only the ship name, captain, last port of call, type of good, and consignee name. The newspaper did not print Liverpool imports entirely for the period 3 Sept 1799 to the end of 1803. The coastal trade was recorded sporadically. The Irish trade was recorded in the period 1768-1799 and 1804-1808, but after 19 April 1808 the newspaper no longer printed amounts of each commodity entering Liverpool from Irish ports. By 1809, the Irish trade was no longer recorded.

Williamson's Liverpool Advertiser survived for two periods, 1756-1765 and 1772-1802, although some issues are missing and the quality of the newspaper changes from issue to issue. *Williamson's Liverpool Advertiser* published Liverpool imports for the period 1772-1793, after which the newspaper turned into *Billinge's General Advertiser*. *Billinge's General Advertiser* printed Liverpool imports for the period 1794-1802. The newspaper, like the *Manchester Mercury*, recorded a sample of the Irish trade and coastal trades.

The *Liverpool General Advertiser* run survived for the period 1769-1789, when the newspaper name changed to *Gore's Liverpool Advertiser*, 1790-1798. Further runs survived for the periods 2 Jan 1800 to 26 June 1800, and 3 Jan 1805 to 19 Dec 1805, although the 1805 run is very damaged and difficult to read. The newspaper published Liverpool imports during the surviving runs, including samples of the Irish trade.

A full run survived of the *Liverpool Chronicle* for the years 1804-1807. The newspaper published Liverpool imports, including the Irish and coastal trades, yet both trades were scantily recorded.

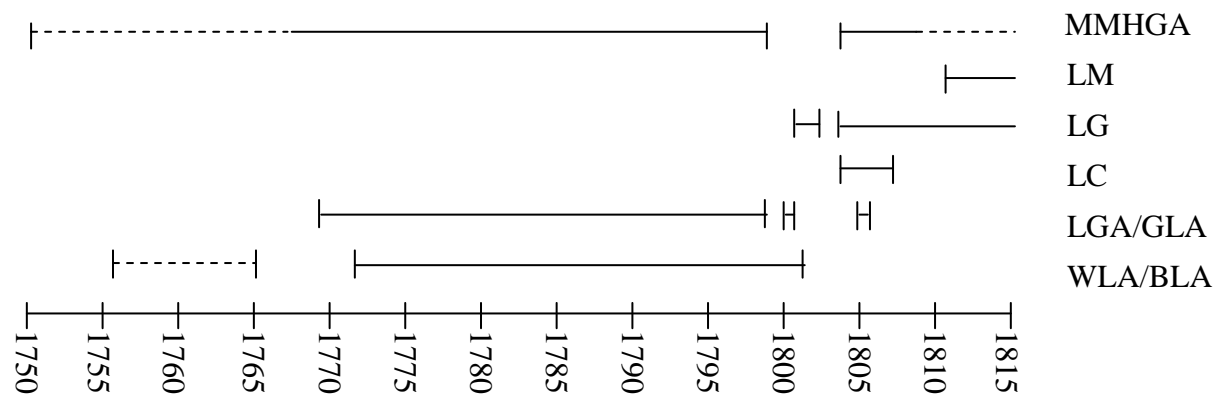
The *Liverpool Mercury* survived from 5 July 1811 and continues past 1815. The newspaper recorded Liverpool imports, but not the coastal trade and Irish trade, published scantily in 1811, and no longer from 1812.

The *Lancaster Gazetteer* survived from 1801 onwards. Only 28 issues survive in 1801, and 15 in 1802, and issues in 1803 are missing. All the newspaper issues survive from 1804 to 1815. The newspaper recorded only a small sample of Liverpool imports,

though. The newspaper was skewed towards publishing imports from the West Indies, Guyana, and Brazil. The newspaper is particularly useful for the April 1809 to July 1811 gap, a period when no Lancashire newspaper published the quantity of Liverpool cotton imports.

Most likely, Lancashire newspapers did not publish every ship or consignment and there were occasional errors and omissions when comparing weekly imports from different newspapers. Three major gaps in Liverpool's cotton imports are evident: 1752-1768, 1803, 1810-1811 (Figure A1). However, the sample collected from Lancashire newspapers more than 30,000 consignments of cotton, if compared with statistics collected by Smithers for 1790-1815 is large enough to make credible arguments regarding Liverpool's cotton trade in the late eighteenth and early nineteenth century (Table A1).

Figure A1: Surviving run of Lancashire newspapers that published Liverpool imports, 1750-1815



— Reports Liverpool imports, including quantity of each commodity
---- Reports Liverpool imports, but does not specify quantity of each commodity

MMHGA *The Manchester Mercury and Harrop's General Advertiser*
LM *Liverpool Mercury*
LG *Lancaster Gazetteer*
LC *Liverpool Chronicle*
LGA/GLA *Liverpool General Advertiser/Gore's Liverpool Advertiser*
WLA/BLA *Williamson's Liverpool Advertiser/Billinge's General Advertiser*

Table A1: Comparing Liverpool Cargo Database sample of cotton entering Liverpool to Smithers' statistics, 1791-1815

Year	Portugal		Brazil		North America		Guyana		West Indies		Other		Total		Total
	SM	LC	SM	LC	SM	LC	SM	LC	SM	LC	SM	LC	SM	LC	LC/SM
1791	34,500	36,707			64	328			25,777	17,950	8,063	12,303	68,404	67,288	0.98
1792	37,268	32,828			503	45			27,340	19,012	7,153	7,723	72,264	59,609	0.82
1793	6,541	5,270			111	138			14,694	12,905	3,626	2,485	24,971	20,798	0.83
1794	17,028	12,832			348	268			17,792	14,261	2,833	1,095	38,022	28,456	0.75
1795	21,841	19,922			2,147	1,676		319	29,539	25,468	1,314	2,242	54,841	49,627	0.90
1796	30,721	30,152			4,668	3,844	1,730	1,068	25,110	19,777	1,297	1,920	63,526	56,761	0.89
1797	28,314	24,643			5,193	3,815	3,073	2,509	19,006	15,617	2,672	1,221	58,258	47,805	0.82
1798	29,095	29,917			12,163	12,797	5,607	6,482	21,612	23,780	147	541	69,634	73,517	1.05
1799	25,362	25,704			13,236	12,360	8,102	7,305	38,394	38,899	1,690	1,565	86,784	85,833	0.99
1800	19,947	17,313			24,138	24,398	13,780	13,482	32,362	30,257	2,353	1,337	92,580	86,787	0.94
1801	25,003	27,040			36,621	26,641	11,047	11,770	28,437	30,895	1,644	991	98,752	97,337	0.99
1802	47,300	39,461			55,749	49,307	9,593	8,979	21,814	20,406	726	4,074	135,182	122,227	0.90
1803	49,916				70,579		2,567		14,651		2,414		140,127		0
1804	35,697	34,695			78,324	75,891	24,747	23,343	13,788	14,625	690	470	153,246	149,024	0.97
1805	39,416	36,632			101,045	93,898	19,508	18,084	17,286	16,027	1,429	1,448	178,684	166,089	0.93
1806	35,293	23,800			100,273	81,934	18,783	15,414	18,383	14,186	540	88	173,278	135,422	0.78
1807	11,852	8,570			143,756	81,590	22,423	13,953	18,956	11,321	359	222	197,346	115,656	0.59
1808	3,032	2,059	3,540		25,426	19,180	16,329	8,995	15,178	10,265	2,710	378	66,215	40,877	0.62
1809	86,880	7,439	412	30,817	130,581	72,428	15,998	9,946	25,687	17,556	7,228	3,276	267,283	141,462	0.53
1810	11,500	1,900	61,724	11,089	199,220	23,174	23,477	4,105	18,300	2,731	6,381	1,802	320,600	44,801	0.14
1811	698	630	45,485	30,321	97,626	18,028	20,532	18,827	6,927	6,972	1,524	57	172,792	74,835	0.43
1812	1,639	355	61,037	39,648	79,528	72,150	19,245	18,093	7,904	7,010	2,421	1,156	171,774	138,412	0.80
1813		11,226	88,113	56,545	18,640	10,003	15,563	15,802	12,223	11,071	6,743	1,054	141,282	105,701	0.75
1814		5,291	103,248	41,656	40,448	21,122	17,111	15,829	17,341	12,338	4,575	467	187,720	96,703	0.52
1815		8,075	68,952	51,915	160,128	143,712	19,623	18,604	11,712	15,948	10,569	8,782	270,984	247,036	0.91
Total	598,843	442,462	432,511	261,991	1,400,515	848,727	288,838	232,909	500,213	409,277	81,101	56,697	3,304,549	2,252,064	0.68

SM – Smithers' statistics in "packages"

LC – Liverpool Cargo Database statistics in "packages"

Appendix B: Cargo unit standardisation approach

For the purpose of this thesis, Liverpool cotton imports, published in Lancashire newspapers and shipped in various cargo units, were standardised by converting cargo units into pounds mass. Standardised cotton imports provided an accurate comparison of cotton importation trends for different years and between different geographical regions. Additionally, standardising cargo units enabled analysis of top Liverpool cotton importers, discussed in chapters two and three.

Historians who calculated Liverpool cotton imports from Lancashire newspapers kept Liverpool cotton statistics in a single cargo unit, usually as either ‘bags’, ‘bales’, or ‘packages’.⁴⁸¹ There are four difficulties in standardising cargo units: cotton arrived in Liverpool in a number of different cargo units; cotton packing techniques differed by plantation and region; new packing and more efficient packing techniques were developed in some regions but not others; it is not always possible to ascertain from which port or region Liverpool cotton shipments originated.

Fortunately, almost all of the cotton entered Liverpool in one cargo unit, which facilitates the standardisation process. Although cotton arrived into Liverpool packed in a number of different cargo units: bags, bales, pockets, sacks, gallons, hundredweight (cwt), balets, barrels, baskets, boxes, cases, chests, serons, hogsheads (hhd), mats, packs, pieces, puncheons, stones, skins, and tons, 99 percent of all consignments of cotton entering Liverpool arrived in just two cargo units—‘bags’ and ‘bales’. Additionally, bags and bales were used interchangeably, likely referring to the same unit of bagging in the period. For example, of the total 517 ‘bales’ and 981 ‘bags’ of Guyana cotton that the Fraser of Reelig family sent in 1803-1818 to Liverpool and London, the average weight of each unit was almost identical, with 295 lbs. for ‘bale’ and 298 lbs. for ‘bag’.⁴⁸² Historian Norman S. Buck also noted that merchants in the Anglo-American trade did not distinguish between ‘bags’, ‘bales’ and ‘packets’ used to ship cotton in the first half of the nineteenth century.⁴⁸³ Therefore, only establishing the average weight of one unit cotton cargo—bags—is required.

Calculating the average bag of cotton entering Liverpool is complicated by the non-standardisation of packing techniques. Fitton and Wadsworth, for instance, noted

⁴⁸¹ Williams, ‘Liverpool Merchants and the Cotton Trade’, pp. 19-51; Wadsworth and Mann, p. 188; Wadsworth and Fitton, pp. 344-348; Dumbell, ‘Early Liverpool Cotton Imports’, pp. 362-373.

⁴⁸² Calculated based on accounts of cotton sales sent to Edward Satchwell Fraser by his London and Liverpool agents, 1803-1815, Fraser of Reelig Papers, Private Collection.

⁴⁸³ Buck, p. 31.

the difference in the average weight of bags of cotton bought by manufacturers, the Strutts, from different West Indies colonies in 1793-1795.⁴⁸⁴ For example, the average weight of bags of cotton from Barbados weighed 138 lbs., compared to 414 lbs. per bag for Tobago cotton.⁴⁸⁵ Apart from differences of colonial bag weights within one region, as given in the Barbados and Tobago example, there were also clear regional differences. According to estimates, by both contemporaries and historians, the regions with the lightest to heaviest bags of cotton during the eighteenth and nineteenth centuries were: Brazil, Levant, West Indies, Guyana, and the United States, respectively. The average weight of Brazilian bags of cotton during the period ranged between 100-200 lbs., while Levant and West Indies and Guyana cotton bags weigh 200-300 lbs.⁴⁸⁶ By far the heaviest bags were shipped from the United States, with average estimated weight ranging between 300 and 400 lbs.⁴⁸⁷ The range in average bag weights arises from different packing techniques and sizes of bags and partially from the period to which the estimate refers to, taking into account that the average weight of a cotton bag increased because of tighter packing techniques evident in the early nineteenth century.⁴⁸⁸

The best single source for calculating the average weight of a bag of cotton from different regions is found in a sample given by Fitton and Wadsworth from the Strutts' Clearing Book, 1793-1795. Based on the average weight of bags recorded in the sample of Strutts' purchases, the following estimations are calculated: West Indies - 260 lbs.; Guyanas - 262 lbs.; Brazil - 167 lbs.⁴⁸⁹ Unfortunately, the sample published by Fitton and Wadsworth does not give weights of cotton from the Levant and records only three bags of North American cotton. To take into account regional distributions and that bags of cotton were the heaviest from the United States, cotton entering Liverpool from other regions was estimated as follows: Mediterranean - 250 lbs., North America - 300

⁴⁸⁴ Fitton and Wadsworth, pp. 339-341.

⁴⁸⁵ Fitton and Wadsworth, p. 339.

⁴⁸⁶ Andrew Ure, *The Cotton Manufacture of Great Britain*, (London: H. G. Bohn, 1961), pp. 144, 155; Buck, p. 35; Wadsworth and Mann, pp. 188-189; Davis, *Rise of English Shipping Industry*, p. 178; Manchester, p. 52.

⁴⁸⁷ Williams, 'Liverpool Merchants and the Cotton Trade', p. 58; Ure, pp. 144, 155.

⁴⁸⁸ An example of this effect is given by Ure who calculated the average weight of bags from United States to have increased every two years from 336 lbs. in 1826-1827 to 370 lbs. by 1834-1835, Ure, p. 144.

⁴⁸⁹ All three region averages fall into the range of bags of cotton weight estimations given by historians and contemporaries regarding this period. For the purpose of calculating Guyana cotton, the example of a very low weight of one order of cotton was removed from the calculation. It was likely included in the sample by the authors to give an example of the range of weight of cotton bags, Fitton and Wadsworth, pp. 339-341.

lbs., and Other Regions - 250 lbs.⁴⁹⁰ Cotton shipments entering Liverpool from each region, then, were converted into pounds mass based on the estimates established above.

⁴⁹⁰ United States range of estimates is largely regarding post 1815, thus the lowest estimate of 300 lbs. given by Pitkin c. 1810 is taken as the average for bags entering Liverpool from United States, Buck, p. 35.

Appendix C: Consignee and partnership variations

Calculating major Liverpool cotton importers in 1752-1815 is hindered because 61.6 million lbs., or 9.5 percent of all cotton imported into Liverpool in the period were consigned to ‘order’—no consignee name was published. The sample of more than 30,000 individual consignments is sufficient enough, however, to make confident conclusions regarding the port’s cotton importing community. To calculate major Liverpool cotton importers, therefore, it is assumed that the consignee name given in Lancashire newspapers for Liverpool cotton importers advertised in the newspaper is the individual or partnership given the responsibility for its disposal on the market unless evidence suggests otherwise.

Variation of names of individuals and partnerships hinders the calculation of the top Liverpool importers. As it stands, the Lancashire newspapers recorded cotton consignments for more than 7,000 variations of names of individuals and partnerships. Of those, the majority were caused by spelling variations and mistakes, changes and alterations of partnerships published in Lancashire newspapers. Calculating the top Liverpool importers is therefore, complicated. For example, the house of Thomas & William Earle received cotton under various consignee names: Thomas & William Earle, Thomas Earle, William Earle, William Earle & Co, William Earle, Sons and Co. It is impossible to estimate whether shipments consigned to “Thomas Earle” were separate from the Liverpool house of “Thomas and William Earle”. Additionally, brothers Thomas & William Earle operated the house in the late 1780s and by William’s sons of the same name in the 1790s, making difficult a simple distinction between individual merchants.

To avoid significant bias, cotton imports received by individual partnership of a Liverpool house were combined. The variations of cotton shipments consigned to Thomas Earle or William Earle or any combination of the two merchants’ names were added to give the closer approximation of the imports received by the Liverpool house. If Liverpool houses continued to operate under different partners after the exit of one or more of the original partners, as in the example of the Earles in the late eighteenth century, cotton imports for the entire period of operation were combined.

Additionally, if partners were added or changed, and partnerships altered in name, each partnership variation’s imports of cotton were combined. For example, the Rathbone family operated in Liverpool under several partnerships: Rathbone & Benson (1787-1796); Rathbone, Hughes & Duncan (1797-1808); W. & R. Rathbone (1811-

1814); and Rathbone, Hodgson & Co (1815-). Even though different members of the Rathbone family likely operated in each partnership, their combined cotton imports were added to estimate the importance of the merchants from the Rathbone family operating in Liverpool. These assumptions underlie the tables created of major Liverpool imports in chapters two and three.

Appendix D. Liverpool merchants in the Portuguese cotton and wine trades, 1795

Liverpool's merchant community differed in the Portuguese trade between those that operated primarily in the wine trade and those primarily in the cotton trade. Major Liverpool cotton importers were not major Portuguese wine importers in Liverpool. A calculation of the top ten Liverpool cotton importers for the year 1795 revealed that only one merchant, George Dunbar, also acted as a major wine importer. Henry Norris, another major Liverpool cotton importer operated a wine vault at the top of Cook Street in 1800.⁴⁹¹ A group of merchants heavily invested in the wine trade, such as McKnight & Co, Armstrong & Taylor, and Richard Woodward. They organised the Liverpool wine trade c. 1795, operating wine, rum, and brandy vaults in Liverpool and importing little cotton into the port (Tables D1 and D2).⁴⁹²

Table D1: Top ten Liverpool wine importers from Lisbon and Oporto, 1795

Name	wine (gallons)	cotton (lbs.)
McKnight & Co.	38,304	0
Armstrong & Tayleur	28,728	0
George Dunbar	22,554	258,683
Winter, Place and Hindley	18,144	0
Woodward, R.	14,474	3,841
Zuill, John	10,710	0
Rogers & Wilson	9,450	3,340
Rushton & Robinson	8,820	0
Broster, J.	8,442	835
Brown, J. and S.	6,426	0
Greenwood, J.	6,300	0

Sources: Krichtal, Liverpool Cotton Database, 1752-1815; *Gore's Liverpool Directory*, 1790, 1800.

⁴⁹¹ *Gore's Liverpool Directory*, 1800.

⁴⁹² LCD; *Gore's Liverpool Directory*, 1800.

Table D2: Top ten Liverpool cotton importers from Lisbon and Oporto, 1795

Name	cotton (lbs.)	wine (gallons)
Holt & Davies	392,951	0
George Dunbar	258,683	22,554
Geoffrey Goring	253,840	0
Pudsey & Richard Dawson	247,160	1,260
Ewart, Rutson & Co.	202,738	0
Matthews, J. and S.	162,324	0
Dawson & Cumming	140,614	2,016
Edgar Corrie	77,989	0
Henry Norris	71,810	1,386
Lupton, John	58,116	2,394

Sources: Krichtal, Liverpool Cotton Database, 1752-1815; *Gore's Liverpool Directory*, 1790, 1800.

Appendix E: Converting weights and measurements of major Liverpool commodities into pounds sterling.

Four steps were taken to estimate the levels of specialisation of major Liverpool cotton importers. First, all commodities consigned to the top thirty Liverpool importers in each year, 1795, 1805, and 1815 were entered into a database. The years, 1795, 1805, 1815 were chosen because of their relatively-free disruptions of trade and the availability of good runs of Lancashire newspapers printing Liverpool imports.

Secondly, to help standardise the sample, cargo unit of each commodity was converted into pounds mass or gallons where appropriate. A number of primary and secondary sources facilitated the task of standardising cargo: Selwyn H. H. Carrington, *The Sugar Industry and the Abolition of the Slave Trade, 1775-1810*, (Gainesville: University of Florida, 2002), pp. xi-xiii; James F. Shepherd and Gary M. Walton, *Shipping, Maritime Trade and the Economic Development of Colonial North America*, (Cambridge: Cambridge University Press, 1972), pp. 171-172, 206; John J. McCusker (ed.), *Essays in the Economic History of the Atlantic World*, (London: Routledge, 1997), pp. 47-64; Ronald Edward Zupko, *A Dictionary of English Weights and Measures from Anglo-Saxon Times to the Nineteenth Century*, (Madison: University of Wisconsin Press, 1968); The House of Commons, *Second Report of the Commissioners appointed by his Majesty to Consider the Subject of the Weights and Measures*, (London, 1820).

Thirdly, the value of each commodity imported by each major cotton importer was then calculated by establishing average price of each commodity per pound mass or gallon, where appropriate. The range of prices published on the London market greatly outnumbered those published on the Liverpool market before 1815. Therefore, a decision was made to calculate Liverpool imports based on market prices found in London instead of Liverpool. The best single source for a range of commodity prices was found in *Tradesman*, Vol. 1, No. 2, 1808, pp. 183-187. The average price of commodities was calculated from prices published in the *Tradesman* in mid-July because seasonal patterns of Atlantic trade suggests that the mid-summer months were the busiest time for British ports in terms of returning vessels carrying imports, and therefore the majority of commodities imported were likely sold during the mid-year months.

Fourthly, the total value of cotton imported by each merchant was then compared to the total value of all commodities imported. A number of commodities, for example Liverpool timber imports, could not be standardised, but nevertheless was

taken into account in estimating the merchant specialisation in cotton importation. The degree of specialisation of each of the top thirty cotton importers in 1795, 1805, and 1815 was based on a cotton-to-total imports percentage, and assigned one of four categories: Perfect Specialist (90+%), Near-Perfect Specialist (89-75%), Marginal Specialist (74-50%), Non-Specialists (<50%). The value of cotton imports of a 'Perfect Specialist' (PS) was 90 percent of the total value of all commodities imported in that year. The value of the cotton imports of a 'Near-Perfect Specialist' (NPS) was between 89 percent and 75 percent. A 'Marginal specialist' (MS) had between 74 percent and 50 percent and a 'Non-Specialist' (NS) had below 50 percent.

The Liverpool imports of Joseph & Samuel Matthews in 1795 illustrates this four-step approach to estimating specialisation of Liverpool's cotton importing community. The firm in that year appeared as a consignee for shipments of cotton, ginger, tobacco, wine, and lemons and oranges, largely imported from Portugal. The firm's imports were converted into pounds mass and prices into pence per pounds weight, cargo unit, or gallon, where appropriate. The firm's cotton imports in value were 3,506,198d from of a total value of all commodities imported by the firm worth 5,175,805d. John and Samuel Matthews, then, were 'Marginal Specialists' as cotton imports accounted for an estimated 67 percent of their total imports into Liverpool (Table E1).

Table E1: Liverpool imports in 1795 of Joseph & Samuel Matthews

	Cotton	Ginger	Tobacco	Wine	Lemons	Oranges	Total
Weight in:	lb.	lb.	lb.	gal.	chest	chest	
	162,324	1,400	20,000	1638	604	605	
Price in pence:	per lb.	per lb.	per lb.	per gal.	per chest	per chest	
	21.6	10.5	10.3	170.7	1200	1200	
Total in pence:	3,506,198	14,700	206,000	279,601	724,800	544,500	5,175,805
Total as %	67	<1	4	5	14	10	100

Sources: Krichtal, Liverpool Cotton Database, 1752-1815.

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