The 1719-20 stock euphoria: a pan-European perspective

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Abstract

The French Mississippi Bubble, British South Sea Bubble and Dutch Windhandel were part of a 1719-20 pan-European equity boom that involved many more countries than hitherto thought. Drawing on extensive archival research, the paper establishes that speculation and stock euphoria spanned from Portugal to Russia, and from Sicily to Sweden. As such, it demonstrates that 1720 European financial markets were largely driven by common forces. Comparing all the projects (successful or unsuccessful) for joint-stock companies promoted around 1720, the paper underlines three aspects that shed new light on this first transnational financial bubble. First, these projects bring to the fore a two-speed Europe: while the most advanced economies focused on innovative business sectors (in particular marine insurance), the least developed were catching up with a model that was more than one century old, namely the privileged company for long-distance trade and colonization. Second, French and British experiments with public debt engineering (that fuelled the Mississippi and South Sea Bubbles) were emulated throughout Europe; in almost every country there were schemes geared to improving public finances. Third, the timing of the global equity boom was more diachronic than previously thought, suggesting that contemporaries did not expect that a stock market crash somewhere should necessarily generate a contagion effect.

Keywords: Financial history, early modern history, European economic integration, South Sea Bubble, Mississippi Bubble, financial crisis synchronicity, joint-stock companies, public debt-for-equity swap, marine insurance, long-distance trade, financial innovation. (JEL F31, F36, G01, G15, H63, M13, N23, N43)

Archives acronyms

AAE	Archives des Affaires étrangères, Paris
AGS	Archivo General de Simancas
AHNM	Archivo Historico Nacional de Madrid
AN	Archives Nationales, Paris
AST	Archivio di Stato di Torino
ASV	Archivio di Stato di Venezia
ASVA	Archivio Segreto Vaticano
BL	British Library, London
CA	Coutts Archives, London
HaNA	Nationaal Archief, The Hague
NA	National Archives, London
NWR	Landesarchiv Nordrhein-Westfalen, Münster
NSAW	Niedersächsisches Landesarchiv, Wolfenbüttel
OeStA	Österreichisches Staatsarchiv, Vienna

A Pan-European joint-stock boom

Problem, hypothesis, method, and definitions

Few financial crises are, historically speaking, as fascinating and meaningful as the Mississippi and South Sea Bubbles of 1719-1720. On the one hand, they both represent an economic and political watershed event in the national histories of France and Britain. On the other hand, they were the two main sparks of the first international stock market boom in history. The two bubbles were connected and they reached their peak one shortly after the other, briefly followed by a third bubble, the so-called Dutch Windhandel (wind trade). This paper will focus on this transnational dimension, investigating a number of questions that had not been raised so far.

For a century and a half, the transnational history of the 1720 equity boom has been a work-in-progress. Émile Levasseur (1854, p. 400-403) was probably the first scholar to frame a general, albeit rough, view about the subject. According to him, England and the United Provinces had 'crudely imitated' the methods that John Law (the Scottish financier, founder of the Mississippi Company) had introduced in France, and thus the English and Dutch stock market bubbles were wilder and more short-lived than the French one. William R. Scott (1912, I, p. 398-408) explicitly contested this interpretation. Comparing the bubbles in Paris and London, he concluded that they followed parallel yet different courses; he also described contemporary undertakings in Scotland and Ireland (I, p. 433; III, p. 269-272). Gerrit Van Rijn (1899) initiated the study of the Dutch Windhandel, while Caesar Amsinck (1894) established that Hamburg had also experienced an equity boom in 1720. André-Émile Sayous (1937 and 1940) described the role of Geneva and Dutch investors in the Paris and London stock exchanges, inaugurating a rich current of research on international speculation during the 1720 bubble. John Carswell (1960) and Peter G. M. Dickson (1967) underlined that the French, English, Dutch, and Hamburger stock market booms had been connected. Finally, Larry Neal (1990, p. 62-79) demonstrated the existence of these connections through the analysis of exchange rates.

These are, quickly outlined, the main milestones of this transnational history of the 1720 financial euphoria, although many other outstanding works have contributed to its construction.[1] Yet, an important question has not been fully explored so far: the bubble's

[1] Among the works that provide new perspectives on this transnational history, see in particular Groeneveld, *De economische crisis*, 1940; Wilson, *Anglo-Dutch Commerce*, 1941; Ashton, *Economic fluctuations*, 1959; Lüthy, *La banque protestante*, 1959; Kindleberger, *Manias, panics and crashes*, 1978; Murphy, *Richard Cantillon*, 1986; Schubert,

international dimension itself.[2] How widespread was the stock euphoria? How did different countries experience the bubble? This is what this paper will investigate.

My starting hypothesis was that the energy of the equity boom having been so great in England, France, the Dutch Republic, and Hamburg, it was difficult to believe that no 'sparks' would have reached elsewhere. In other words, the hypothesis is that the contagious exuberance characteristic of speculative bubbles had crossed the borders and spread throughout the continent to a far greater extent than previously documented.[3]

Europe was, in many ways, already highly integrated in the early 18th century: people, ideas, goods, capital, and especially information circulated at a rather fast pace, in particular between the main ports and cities. News from Amsterdam (the hub of the European network of information of the time) usually reached Brussels in four days, London in six days, Copenhagen and Paris in one week, Bern in nine days, Vienna in two weeks, Naples, Madrid and Lisbon in about three weeks, St. Petersburg in slightly less than a month (even in winter).[4] Throughout Europe newspapers kept their readers abreast of the latest foreign military, political, economic, and financial developments. The *Gaceta de Madrid*, for instance, regularly gave news (and sometimes share prices) about the Paris, London, Amsterdam, and Hamburg stock markets.[5] From Naples to London, from Lisbon to Leipzig and Vienna most periodicals did the same.[6] Information traveled also ceaselessly via the crisscrossing letters of merchants,[7] international investors, diplomats, spies,[8] etc. Under these circumstances, was it possible that the astonishing financial experiments and stock market booms going on in Paris, London, Amsterdam, and Hamburg had not

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The Ties That Bound, 1986; Neal, *I am not master of events*, 2012; Frehen, Goetzmann, and Rouwenhorst, 'New evidence on the first financial bubble', 2013; Id., 'Finance in the Great Mirror of Folly', 2013.

[2] I will use in this paper the term 'bubble' in a broad sense, to denote a massive episode of stock fever, and without reference to the rational or irrational bubbles' debate.

[3] About bubbles and psychological contagion see in particular Shiller, *Finance and the Good Society*, 2012, p. 179-183.

[4] I calculate these traveling times according to the dates indicated in the contemporary newspapers.

[5] E.g. the issues of 8 August, 12 and 26 September, 28 November 1719, 13 January, 23 April, 13 August, 10 September 1720.

[6] There were few exception such as the *Diario di Roma* that ignored almost entirely stock-market news.

[7] On mercantile networks see in particular Neal and Quinn, 'Networks of information', 2001; Casado Alonso, 'La circulation de l'information', 2008; Trivellato, *The Familiarity of Strangers*, 2009; Bartolomei, 'Les réseaux négociants', 2012; Fusaro, 'Cooperating Mercantile Networks', 2012.

[8] The king of Spain, the king of Piedmont, or the tsar, for example, were regularly informed about the latest financial and stock market developments in France, Britain, and the United Provinces by their diplomats and secret agents. For Russia: Troickij, 'Le système de John Law', 1970, p. 47. For Piedmont see for instance AST, Lettere dei ministri, Francia, mazzo 147. For Spain see for example AGS, Estado leg. 4331, Francia.

inspired, in one way or another, businessmen, financiers, and rulers in the rest of Europe?

Some remarks by Peter Dickson and John Carswell support furthermore my starting hypothesis. Dickson mentions that the Spanish court rejected various financial projects in August 1720.[9] Carswell writes that John Lambert, a director of the South Sea Company, declined that same year an invitation from the Portuguese crown to come to Lisbon to advise on a projected Brazil Company.[10] The latter anecdote is noteworthy because it can be connected to Eric Schubert's finding about a sharp spike in the Lisbon-on-London exchange rate (August 1720), indicating strong capital inflows in Portugal.[11] Although they were aborted, the Spanish projects are also worthy of interest. This is where my paper distinguishes itself methodologically from other researches in the field: I argue that, for a connected history of the 1720 bubble, actors' intentions are not necessarily less significant than their achievements; foundered ventures are not less interesting than those that gave rise to a stock market boom. We will see below as to why. This leads me to precisely define the focus of this paper: a review of all the schemes (successful and unsuccessful) for new joint-stock companies promoted around 1720.

That year witnessed a profusion of ambitious undertakings. In Poland, the crown revived a seventeenth century plan to dig a canal between the Oder and the Vistula in order to open new outlets for grains exports.[12] In Russia, according to contemporary reports, 600,000 men were at work to create a 'navigable stream' between the Volga and the Baltic.[13] In London, a certain Mr. Gordon had informed the directors of the East India Company that he had located Ophir (the mythical land of king Solomon's gold mines) on the east coast of Africa. The directors took the lead seriously enough to mount a large expedition there, and to petition the government for some men-of-war as an escort against the pirates of Madagascar.[14] We could mention several other grand 1720 projects, and also more prosaic ones, such as the creation of a stock exchange in Geneva,[15] a notes-for-bonds

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[9] Dickson, *Financial Revolution*, cit., p. 153.

[10] Carswell, *South Sea*, cit., p. 119. The Brazil scheme is also mentioned by Dickson, *Financial Revolution*, cit., p. 153.

[11] Schubert, *The Ties That Bound*, cit., p. 155.

[12] *Gazette d'Amsterdam*, 13 September 1720.

[13] AAE, CP, Hambourg 48, c. 281 sq.; *Weekly Packet*, 5 March 1720; *Gazette d'Amsterdam*, 19 and 26 November 1720.

[14] BL, IOR B/56, c. 20, 40, 56; *British Gazetteer*, 16 July 1720; *Gazette d'Amsterdam*, 12, 19, 23 July and 27 September 1720; *Gazette de Leyde*, 30 August 1720; *Daily Post*, 23 July 1720 (quoted by Carswell, *South Sea*, cit., p. 172).

[15] Archives d'État de Genève, Chambre de Commerce, Registre III, p. 268.

swap in Denmark,[16] a state loan in Venice,[17] as well as undertakings for manufactures,[18] free ports,[19] and lotteries[20] across the continent.

All these schemes contributed to a general euphoria, and some were clearly connected to the pan-European stock mania. However, none of them involved the formation of a new joint-stock concern, so they all fall outside the scope of this investigation. The same is true for several enterprises initiated in 1720, some with quite large capital, but with no effective secondary market for shares. A good example is the *Compagnie* of the duke de La Force. Marcel Giraud writes that, among the many business set up in France in 1719-20 to colonize the Mississippi, this was the only one 'based on emissions of shares'.[21] The *Compagnie* had a capital of 1.2 million *livres* divided in 60 shares. However, there is no evidence that these shares could be traded freely or easily. The firm – centered *de facto* on individuals as much as capital – was a sort of hybrid partnership rather than a proper joint-stock company.

To sum up, the survey will only focus on schemes for new companies that had – or should have had according to the plans of their promoters – an effective and open secondary market for shares. (I am not considering here limited liability, because in the eighteenth century this feature did not necessarily go hand in hand with the joint-stock form.)[22]

A Pan-European joint-stock boom

At this preliminary stage of the investigation, it is useful to divide Europe in two groups: a) the countries that previous researches on the 1720 financial boom have identified and studied (i.e. Britain,[23] France,[24] the Dutch Republic,[25] Hamburg,[26] and Ireland)[27]; b) the

[16] *Gazette d'Amsterdam*, 12 March and 23 April 1720.

[17] Dickson, *Financial Revolution*, cit., p. 138.

[18] For instance, glasses manufactures in Austria: *Gazette d'Amsterdam*, 12 March and 23 April 1720.

[19] In particular in Trieste, Fiume, Pozzuoli, La Spezia, Messina, Santos, and London: Di Vittorio, 'Porti e porto franco', 1972; AAE, CP Gênes 73, c. 426 sq.; ASV, V Savi, decreti Ia 38, 7 September 1720. *Avvisi di Napoli*, 14 May 1720; *Gazzetta di Bologna*, 7 May 1720; *Gazette d'Amsterdam*, 30 August 1720.

[20] E.g. *Corriere di Vienna*, 20 April, 2 October 1720; *Daily Courant*, 12 July 1720; *Gazette d'Amsterdam*, 26 April, 28 and 31 May 1720; *Gazeta de Lisboa*, 10 October 1720.

[21] Giraud, Histoire de la Louisiane française, 1966, III, p. 207.

[22] See Handlin and Handlin, 'Origins of the American Business Corporation', 1945; DuBois, *The English business company after the Bubble act*, 1971, pp. 93-93; Perrott, 'Changes in Attitude to Limited Liability', 1982.

[23] Among a long list of publications: in particular, Scott, *Constitution*, cit.; Carswell, *The South Sea Bubble*, cit.; Dickson, *The Financial Revolution*, cit.; Harris, 'The Bubble Act', 1994; Banner, *Anglo American securities*, 1998;

rest of the map, that is either entirely empty, or (in the case of Spain and Portugal: see *supra*) that contains only vague information. I will call the first group the 'core countries' of the equity boom and the second group the 'periphery'.

To identify the joint-stock schemes promoted in the periphery, I have drawn on extensive archival material, including correspondence, newspapers, pamphlets, diplomatic letters, and other official sources. For example, I have found in the Turin state archives various projects for banks and trading companies in Piedmont.[28] In the Archivo General de Simancas, Archivio Segreto Vaticano, British Library, Coutts Archives, and National Archives, there are many documents related to the Portuguese 'bubbles' (contemporaries often used this term to describe speculative ventures).[29] British, Dutch, Portuguese, and Austrian journals discuss about a Lorraine trading company and about two enterprises promoted in Denmark (the first for a Guinea, West India, and East India company; the second for an insurance firm).[30]

Archival sources sometimes confirm newspapers' reports, or vice versa. This is the case, for instance, with a Venetian project for a manufacturing concern,[31] or a banking scheme in Brunswick.[32] However, there is no reason to consider *a priori* that information taken only from the press is unreliable, especially when the facts are mentioned several times by the same newspaper or, even better, by different newspapers apparently using different

Hoppit, 'The Myths', 2001; Temin and Voth, 'Riding the South Sea Bubble', 2004; Carlos and Neal, 'The micro-foundations', 2006; Paul, *The South Sea Bubble*, 2011; Wennerlind, *Casualties of credit*, 2011; Kleer, 'Riding a wave', 2015.

[24] In particular, Levasseur, *Recherches historiques*, cit.; Hamilton, 'Prices and Wages at Paris', 1936; Lüthy, *La banque*, cit.; Faure, *La banqueroute*, 1977; Murphy, *John Law*, 1977; Hoffman, Postel-Vinay and Rosenthal, *Des marchés sans prix*, 2001; Velde, 'Government Equity and Money', 2004; Id., 'Was John Law's System a bubble', 2009; White, 'The Long Shadow of John Law', 2013.

[25] Van Rijn, *De Actiehandel in 1720*, 1899; Slechte, 'Het aandeel', 1972; Id., *Een noodlottig*, 1982; De Jong, Jonker & Röell, 'Dutch Corporate Finance', 2013; Gelderblom & Jonker, 'Mirroring different follies', 2013.

[26] Amsinck, 'Die ersten hamburgischen', cit.

[27] Scott, *Constitution*, cit., I, p. 433; Hall, *The Bank of Ireland*, 1949; Ryder, 'The Bank of Ireland', 1982; Walsh, *The South Sea Bubble and Ireland*, 2014.

[28] AST, Finanza, I a., lotteria, tontina, banco di deposito, m. 7; Consiglio di Stato, verbali CF 1721-22.

[29] ASVA, Segreteria di Stato, Portogallo 75, c. 426 and 431; AGS, Estado leg. 7107, Portugal, 20 August, 3 September, 17 September 1720; BL, Add ms. 31140, 3 September 1720; CA, Coutts Letter Book O 14, p. 329; NA, SP 89/28, c. 25, 101, 124, 130, 137; SP 89/29, c. 12.

[30] See Appendix I.

[31] ASV, V Savi, scritture dep. com. 213, c. 27-32, 146 sq., 196; AST, Finanza, I a., lotteria, etc., m. 1. *Applebee Journal*, 10 September 1720; *Daily Courant*, 15 September 1720; *Daily Post*, 8 October 1720; *Gazzetta di Bologna*, 3 September 1720; *Gazette d'Amsterdam*, 13 September 1720.

[32] See Appendix I.

sources.[33] Consequently, as a rule, I have not included in the inventory undertakings that were only mentioned by one single paper in one single issue. There have three such cases so far: a marine insurance company in Venice, a firm for trade and insurance in Portugal, and debt-for equity schemes in Austria.[34] By contrast, nine different journals report news about Spanish projects,[35] five talk about a China joint-stock company set up in Russia,[36] and two mention an undertaking for a trading firm in Mannheim (Palatinate).[37]

I have also found much information in the secondary literature. Troickij (1970) has translated into French a Russian plan for a trading company. Huisman (1902) describes several projects promoted in the Austrian Netherlands; he also writes about the Imperial Oriental Company set up in Vienna.[38] Sayous (1937) mentions a scheme in Geneva. Caizzi (1968) talks about a project in Milan; Di Vittorio (1968) about three ventures in Naples; Giarrizzo (1989) about two undertakings in Sicily. Finally, Groeneveld (1940) and Gelderblom & Jonker (2010) mention that a company was promoted in Emden (East Frisia), close to the Dutch border.

Some of these authors (Gelderblom and Jonker, Groeneveld, Huisman, Sayous) connect their findings to the contemporary European stock mania; the others do not. Anyhow, to my knowledge, none of these Russian, Belgian, Geneva, Hanoverian, Milanese, Neapolitan, Sicilian, and East Frisian schemes appear in any other study on the 1720 financial boom. The only exception is the Viennese Oriental Company mentioned by Peter Dickson.[39]

In several cases, I could complement information taken from the secondary literature with further evidence found in the archives. For instance, Austrian, Dutch, and French archives hold documents related to the Belgian schemes;[40] contemporary newspapers report

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[33] We can infer this in particular when the newspapers give different details about the same event. About the accuracy of contemporary newspapers on economic issues, see in particular, Morineaux, *Ces Incroyables Gazettes*, 1985; Neal, *Rise*, cit., p. 37. For a general perspective on the early modern press: Harris, *London newspapers*, 1987; Lüsebrink *et al.* (eds), *Presse et événement*, 2000; Association des historiens modernistes, *L'information à l'époque moderne*, 2001; Infelise, *Prima dei giornali*, 2002; Slauter, 'Forward-Looking Statements', 2009.

[34] See Appendix II.

[35] See Appendix I.

[36] *Daily Courant*, 22 February 1722; *Daily Journal*, 27 February 1722; *Daily Post*, 23 and 27 February 1722; *Evening Post*, 27 February 1722; *Lettres historiques*, March 1722, p. 309.

[37] See Appendix I.

[38] *Ibid.*, p. 157. On the beginnings of this company also: Roider, 'Reform and Diplomacy', 1994, p. 318-319; Ingrao, *The Habsburg monarchy*, 2000, p. 140.

[39] Dickson, *Financial Revolution*, cit. p. 138.

[40] See appendix I.

about the same schemes,[41] and also about the Emden Company and the Harburgh undertakings.[42] On the other hand, as a second rule, I have not included in the inventory ventures mentioned by an author who did not provide specific sources. There is only one such instance: a plan for an insurance company in Sweden mentioned by C. Amsinck.[43] I enquired in the Swedish archives, but did not find any evidence about this project. However, I hope that further research may confirm its existence.

William R. Scott suggests that we will probably never know the exact number of new stocks promoted in England in 1720. The same is certainly true for Europe at large. Part of the documentation has been lost forever,[44] and what is left is so vast that it would take a polyglot team of researchers years of labor to look thoroughly among the many archives across the continent. Yet, this paper is not a work of erudition and it has no pretense to exhaustiveness. The paper' first intention is to prove a hypothesis, and it has succeeded in doing so. These findings in the primary and secondary sources demonstrate that the joint-stock boom was truly pan-European, stretching from Lisbon to Saint Petersburg, and from Sicily to Sweden (Figure 1). Even though the survey is only partial the number of countries involved in the stock euphoria is already multiplied more than fivefold. We started with four (France, Britain, the United Provinces, Hamburg) or five (including Ireland), and we have now twenty-seven.

Here is the list of the twenty-two additional countries: Austria, the Austrian Netherlands, Brunswick, Denmark, Eastern Frisia, Geneva, Hanover, Hesse-Kassel, Lorraine, Milan, Naples, Palatinate, Papal States, Piedmont-Sardinia, Portugal, Russia, Sicily, Spain, Sweden, Switzerland, Tuscany, and Venice (see the appendix for the sources).

To what extent may we use the word 'country' when referring to a city such as Hamburg, a principality such as Brunswick, or a state under foreign rule such as the Austrian Netherlands? We can, in the early modern context. Hamburg and Brunswick (similarly to the Palatinate, Hesse, Hanover, and Eastern Frisia) had a peculiar political status that constituted a form of quasi-sovereignty, the so-called imperial immediacy of the Holy Roman Empire. Although the Southern Netherlands, Milan, Naples, and Sicily were

[41] *Amsterdamsche Argus*, July 1720 (n. 7), August 1721 (n. 12); *Applebee Journal*, 30 July 1720; *Haerlemsche courant*, 12 September 1720; *Daily Journal*, 10 July 1721; etc. For the full list, see Appendix I.

[42] *Amsterdamse courant*, 19 October 1720; *British Gazetteer*, 23 July 1720; *Haerlemsche courant*, 5 and 29 October 1720; *Lettres historiques*, January 1721, p. 119; *Historical register*, 1723, XXIX, p. 116-135.

[43] Amsinck, 'Die ersten hamburgischen', p. 477.

[44] The archives of the French India Company were burnt in 1722; the 1755 Lisbon earthquake destroyed part of the Portuguese crown's financial records; the 1966 flood of the Arno River damaged most of Florence commercial records from 1720, etc.

under Austrian rule, they were distinct polities, with their own political institutions, jurisdictions, privileges, budget, population, official language and territory.

I am convinced that more countries were involved in the joint-stock boom. Research in the archives of the many German states would likely yield good results, and it would not be surprising to learn that projectors also contacted the court of Poland or the Knights of Malta. Moreover, although Islamic law only recognized natural persons and thus did not provide *a priori* an optimal basis for corporate organization,[45] we cannot exclude that projectors had similarly approached the Ottoman Empire, the Barbary States, and perhaps even Persia. In any case, the Muslim world was certainly aware of the boom in financial and commercial initiatives going on in Christian Europe. Contemporary reports state that the Ottomans were interested (and, apparently, even participated) in the Austrian Oriental Company venture.[46] It also seems that the bey of Tunis had approached John Law and had offered to sell him the island of Tabarca.[47]

What has struck me so far is that I have uncovered projects for joint-stock companies wherever I searched for them. They were sometimes difficult to find, but they were indeed present. To take one example, there are no records of financial or commercial authorities (the most obvious place where to find proposals for joint-stock companies) for 1720 Florence,[48] yet looking through the many letters received by the Tuscan government that year, I had the chance to spot a 'progetto' that a certain Antonio Prandone, who declared to be an Italian gentleman freshly arrived from London, had sent to the Grand Duke in May 1720.[49]

The crucial role of the governments

It was not possible at the time to create a joint-stock company without some form of official approval (Britain being the exception[50]), and this explains why these schemes are mostly

[45] Kuran, 'The Absence of the Corporation in Islamic Law', 2005.

[46] *St Jame's Journal*, 2 January 1720 (quoted by Dickson, *The Financial*, cit., p. 138); *Post Boy*, 11 May 1721; *Lettres historiques*, May 1721, p. 536; *Gaceta de Madrid*, 20 May 1721; *Mercure historique*, June 1721 p. 720. *Per contra*, *Post Boy*, 27 July 1721.

[47] Trintzius, *John Law*, 1950, p. 100. Unfortunately, the author does not quote his source.

[48] In Tuscany, at the time, there was no centralized institution that supervised financial matters besides the *Tribunale della mercanzia*. Its records for March-December 1720 were lost in the 1966 Arno River flood.

[49] Archivio di Stato di Firenze, Mediceo del principato, Lettere di particolari 1140, c. 317.

[50] For discussion about the unincorporated joint-stock company see in particular Scott, *Constitution*, cit.; DuBois, *The English business company*, cit.; Harris, *Industrializing English law,* 2000.

found today in official archives. The state played therefore all over Europe a key role in the 1720 joint-stock boom. Yet, the complex dynamics between rulers, projectors, and all the other financial actors differed significantly from one country to the other.

The first challenge for a projector was to find the right channel to convey his ideas to the government. Antonio Prandone managed to send his plan to the Grand Duke thanks to the good offices of the governor of Livorno; a syndicate of Dutch investors entrusted the Spanish ambassador in The Hague with their project for a Spanish enterprise;[51] another Dutch syndicate dispatched instead a spokesman (Louis le Maingre de Bouciquault, a Huguenot cavalry colonel who had developed strong ties with the Spanish government) directly to Madrid.[52] To enhance the appeal of their proposals, some wealthy syndicates supplemented them with different types of financial incentives. Thus, a group of London businessmen informed the governor of the Austrian Netherlands that he would receive 'an offer of acknowledgement and gratitude' if he helped them secure an imperial charter for their proposed Ostend Company.[53] In order to get a patent for a company with a monopoly on the trade with the Spanish Indies, a French syndicate offered to the king of Spain a gift of 30 million pieces of eight, approximately £8.5 million[54] (to compare, in Britain at the same time, to the £300,000 that the London Assurance offered to the king for a marine insurance charter, or the £7.5 million promised by the South Sea Company for the privilege of proposing a debt-to-equity swap to the government creditors).[55]

Once a government took officially into consideration a scheme, decision came sometimes quickly. The *Consiglio di Finanze* in Turin gave its consent to a project for a trading company in a matter of days (February 1721).[56] The project for the Emden Company was submitted to the local authorities in September 1720, and it was already floated in October.[57] Most of the time, though, the process was long. In Madrid, following its usual procedure, the crown constituted a special *junta* (committee) to examine the various corporate projects: first in July 1720 and again in October.[58] In Lisbon, official meetings on the 'Brazil bubble' started in February 1720 and were still going on in June 1721.[59] In the United Provinces, the States

[51] AGS, Estado leg. 6192, 25 July 1720.
[52] *Gazette d'Amsterdam*, 12 and 16 July, 18 October 1720.
[53] Huisman, *La Belgique commerciale*, cit., p. 176.
[54] NA, SP 94/90, 28 October 1720. *Mercurii relation*, 9 November 1720.
[55] LMA, CLC/ B/ 192/ MS 8727 A, p. 35; Dickson, *Financial Revolution*, cit., p. 100.
[56] AST, Consiglio di Stato, Consiglio di finanze 1721-22, c. 23-24. The scheme for
[57] See appendix I.
[58] NA, SP 94/89, 22 July, 7 October 1720.
[59] See appendix I.

General deliberated for months (both in general assemblies and secret committees) about the so-called 'Dutch Mississippi', namely a public debt-for-equity swap.[60]

These Spanish, Portuguese, and Dutch schemes all foundered, but for different reasons. The Madrilenian *juntas* were intrinsically hostile to the idea of a firm with a monopoly on colonial trade, and they declared that the plans were 'impracticable'.[61] In the Dutch Republic, the States General could not reach an agreement, especially because Amsterdam, together with Holland, was opposed to the debt conversion.[62] In Portugal, the king and his ministers supported the idea of a Brazil Company. However, they faced a dilemma: they thought that the 'New Christians' (descendent of Jewish families that had been forced to convert in the fifteenth century, and that were generally suspected of crypto-Judaism)[63] would be the only Portuguese able to invest substantial sums in the venture, but the New Christians requested safeguards and immunity from the Inquisition in order to do so.[64] The crown could neither convince, nor force the Inquisition and the rest of the clergy to accept such a solution. The alternative was to widely open to foreign capital the initial public offering of shares (IPO), with the risk that the companies would 'fall into the hands of foreigners', which the government opposed.[65] It discussed the matter for months, but no solution was found.

Conversely, rulers in Austria, Lorraine, Brunswick, Hanover, Hesse, or the Palatinate were the driving force behind the new enterprises there. In France, the state not only fostered the Indies Company, it also did all it could to shore up its share price – especially after John Law had become finance minister in January 1720.[66] Likewise, the Bubble Act has been interpreted as an attempt by the British parliament to prevent new firms from

[60] French and British diplomats, as well as Spanish spies, closely followed the discussions: AAE, CP Hollande 343, c. 244, 249; AGS, Estado 6192, 24 July 1720, and *Considerations sur le nouveau sistème des finances*, p. 8 and 13; NA, SP 84/273, 10 and 28 June 1720; NA, SP 84/274, 5, 7 and 8 July 1720. See also *St Jame's Evening Post*, 2 June 1720; *Daily Post*, 27 June 1720; *Post Man*, 2 July 1720; *British Gazetteer*, 11 June 1720; *Corriere di Vienna*, 27 July 1720.

[61] According to the well-informed British ambassador in Madrid: NA, SP 94/89, 29 July 1720.

[62] This was in particular the analysis of the well-informed British diplomat: NA, SP 84/273, 10 and 28 June 1720.

[63] On the complex question of Portuguese New Christians: Saraiva, *The Marrano Factory*, 2011.

[64] The question of safeguards for the New Christians had already been an important issue at the time of the floatation of the Portuguese India Company (1628) and the Portuguese Brazil Company (1649): Boxer, 'Padre António Vierira', 1949; Disney, 'The First Portuguese India Company', 1977; Costa, 'Merchant groups in the 17th-century Brazilian sugar trade', 2004.

[65] The whole matter is explained in a long account that a British diplomat sent to London: NA, SP 89/28, c. 124.

[66] Velde, 'Government Equity', cit, p. 28-30.

competing with the South Sea Company on the stock market.[67]

Yet, the importance of the state should not be exaggerated. The Venetian case underlines that governments could not do much by themselves. In February 1719, a group of Venetian businessmen submitted to the senate a scheme for a manufacturing and trading company. After careful examination, the senate gave its approval (June 1719), considering that it was 'a commendable idea' to learn from the 'most attentive nations' (namely Holland and England), and to introduce in Venice 'the method of the corporation, that is to say erecting a company'.[68] The decision and its motivation contradict (at least for the eighteenth century) what Massimo Costantini has argued regarding the opposition of the Venetian government to joint-stock firms.[69] Costantini though this opposition was due to political reasons, for the aristocracy − who controlled the senate − did not wish to open space for the new moneyed men who were behind these corporations. In our case, the government did more than give its consent; it also tried to prompt the projectors to take action. They had started the manufacturing and trade business, but on a small scale and as a simple partnership. In August 1720, the senate urged them not to 'delay anymore' offering the shares to the public.[70] The firm opened its books in September, and the shares were oversubscribed.[71] According to a British newspaper, the directors even considered the possibility of launching a second subscription.[72] However, the whole IPO suddenly aborted around the end of the month.

I could not find in the primary sources any document explaining what had happened.[73] The stream of worrying news coming from the London stock market, during those same days, had possibly triggered a shift in investors' appetite for speculative ventures. A sudden spike in the Venice-Amsterdam and Venice-London exchange rates also suggests that Venice had started to experience a severe liquidity crisis.[74] In October-November, the crisis

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[67] Harris, 'The Bubble Act', cit.

[68] ASV, V Savi, scritture dei deputati al commercio 213, c. 27-30.

[69] Costantini, 'Commercio e marina', 1998, p. 600-601. The author mentions (p. 600) this manufacturing and trading company, but gives a wrong archival reference.

[70] ASV, V Savi, scritture dep. com. 213, c. 146 sq.

[71] *Gazzetta di Bologna*, 3 September 1720; *Applebee Journal*, 10 September 1720; *Gazette de Leyde*, 13 September 1720; *Gazette d'Amsterdam*, 13 September 1720; *Daily Courant*, 15 September, 1720; *Lettres historiques*, October 1720 p. 407; *Gazeta de Lisboa*, 7 November 1720.

[72] *Post Boy*, 6 October 1720.

[73] I have searched in vain in the Archvio di Stato di Venezia, Biblioteca del Museo Correr, and Biblioteca Marciana, contemporary letters or pamphlets commenting on the aborted subscription.

[74] Neal, *Financial*, cit., p. 67, has called an 'Ashton effect' this characteristic 'signature' of 18th century exchange markets. For the exchange rates: *FGR 1720 price database* (see references).

(connected to the wider European financial upheaval) worsened so much that it temporarily paralyzed commerce and brought a series of bankruptcies among major Venetian merchants.[75] It is quite possible that one of the first consequences of the liquidity downturn had been to cool down investors' confidence and sink the IPO. The senate attempted to revive the project in 1721, but did not succeed.[76]

The question of the dynamics between governments, projectors, companies, and equity markets during the 1720 bubble would deserve a paper by itself, and I will not expand it further here. What emerges from this brief overview is the diversity of situations and outcomes. The joint-stock boom was a pan-European phenomenon, yet specific national economic and political environments shaped and conditioned the various undertakings. The recipe – what the Venetians called 'the method of the corporation' – was apparently the same, but some ingredients (government agenda, political equilibria, size and experience of local capital markets, potential role of foreign projectors and investors, etc.) were not. However, we will see that the actors probably also considered the issue the other way around: they thought the 'method of the corporation' was the ingredient and that it was possible to arrange it in many different ways.

Three groups of joint-stock schemes

How can the different joint-stock schemes be categorized? Synthesizing what we have said so far, we may divide them in three main groups. The first comprises the 'bubbles' (as the contemporaries called them), i.e. undertakings that gave rise to some form of intense speculation and market boom. The Venetian company belongs here: the first phase of its floatation was a public success; its capital was oversubscribed (on paper) and in the process the *Serenissima* experienced for a few days its own stock fever. The firm established by the duke of Lorraine belongs here too: its shares were successfully issued and actively traded. Newspapers reported that foreigners sent six millions *livres* (approximately £225,000) to Nancy in order to participate in the venture. At its peak, around 12 November 1720, the stock gained 40%.[77]

The Portuguese and Spanish schemes also belong to the 'bubbles' group. Although none of them even reached flotation stage, they nonetheless provoked considerable 'excitement'

[75] AAE, CP Venise 173, c. 353, 378.
[76] ASV, V Savi, scritture dep. com. 213, c. 197.
[77] *Gazette d'Amsterdam*, 12 November 1720; *Lettres historiques*, November 1720, p. 606.

and 'heat' among international investors.[78] The Lisbon-London exchange rate started to surge in May 1720, and reached a peak early September as British capital poured into Portugal;[79] the Lisbon-Amsterdam rate peaked in the same days (Figures 8 and 9). Moreover, in the expectation that something big would happen, several speculators, including James Edward Oglethorpe (the future founder of Georgia), came to Portugal 'to try their fortune'.[80] A similar process happened in Spain: capital flows into the country left a huge 'signature' in the Spanish exchange rate (Figures 8 and 9). It is noteworthy that the strong appreciation of the Cadiz-on-Amsterdam rate, in the summer and again the autumn of 1720, happened while the *juntas* were examining the schemes that had been submitted to the king (see *supra*). Four different Dutch syndicates each presented a project, and there is evidence that they remitted large sums to Spain to add credibility to their plans. This spike in the Spanish exchange rate cannot be explained by any other significant factor besides the joint-stock schemes (contrarily to the March 1720 spike that was directly connected to the end of the War of the Quadruple Alliance and the reopening of trade between Spain and her former enemies, Britain, the Dutch Republic, and France).

Table 1. Three groups of joint-stock schemes

1. That generated some form of intense speculation and market boom ('bubbles').
2. That gave birth to a company but not to a bubble.
3. That foundered without generating any significant wave of speculation.

The second group of joint-stock undertakings includes those that gave birth to a company, but that did not generate any market frenzy. The Austrian Imperial Oriental Company is here the most interesting example. Charles VI granted it many privileges, in particular the monopoly for wholesale trade with the Ottoman Empire (through the Danube and the Austrian seaports on the Adriatic Sea) and for several industries (shipyards, sugar refinery, cannon production, textile manufactures).[81] The company opened offices in Vienna, Belgrade, Trieste, Fiume, Messina, as well as Istanbul, and newspapers regularly reported

[78] A British diplomat in Lisbon uses these expressions: NA, SP 89/28, 14 October 1720.

[79] Another British diplomat mentions a 20% increase in the exchange rate: *ibid*., 15 October 1720. On the great rise of the Portuguese exchange rate (and, as a consequence, foreign gold in London), also a letter of George Middleton to William Law (August 1720): CA, Coutts Letter Book O 14, p. 329. I am grateful to Larry Neal for giving me the transcript of this letter book.

[80] NA, SP 89/28, 11 November 1720.

[81] Huisman, *La Belgique commerciale*, cit., p. 156-157; *Daily Courant*, 29 April 1720.

that its ships were sailing on the Danube or the Mediterranean.[82] According to the English press, the firm looked so mighty that it gave 'umbrage' to the Dutch, who feared it would interfere with the East India trade (through the Black and Caspian Seas).[83] Still, in spite of all its privileges, the corporation had serious difficulties in raising capital. The subscription seems to have been a half-failure, and the emperor, several Austrian princes, and the Bank of Vienna had to step in to buy shares.[84] In 1721, a new bid to attract capital, this time through a lottery, was equally unsuccessful.[85]

The emperor tried to call on some of his traditional German sources of funding, and it would be interesting to understand if he had attempted to approach other international investors.[86] For sure, he had not been as bold as the duke of Brunswick, who opened the subscription for his lottery in a London coffeehouse, and used his ambassador in England to negotiate with potential investors in his bank and company.[87] Anyhow, considering its strong growth prospects and the general context of the 1720 stock fever, the lack of speculative interest in the Imperial Company is puzzling. It is not clear if the enterprise was profitable.[88] However, that year, countless corporations (including the South Sea Company)[89] attracted capital and were heavily traded despite poor commercial results. Of course, the non-existent Viennese equity market could not compare with Exchange Alley (the London stock market), and investors could have expected to have their property rights better safeguarded in England than in Austria. Yet, property rights protection was in some respects even poorer in France and Portugal, and that did not prevent speculation there. In 1703, Austria tried to repudiate the enormous sums it owed to the banker Samuel Oppenheimer, but it only managed to reschedule them.[90] On the contrary, France had a

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[82] E.g. *Corriere di Vienna*, 18 September 1720, 26 July and 20 August 1721; *Lettres Historiques*, October 1720 p. 428; *Gazeta de Lisboa*, 13 February 1721.

[83] *Daily Post*, 28 December 1719; *Daily Courant*, 26 December 1719.

[84] *Daily Post*, 4 October 1720; *Gazzetta di Bologna*, 8 October 1720. On the Bank of Vienna: Di Vittorio, 'Un capitolo', 1974, p. 18-27; Ingrao, *The Habsburg monarchy*, cit., p. 127.

[85] *Corriere di Vienna*, 30 April 1721; Roider, 'Reform', cit., p. 319.

[86] The emperor tried to get investors from Hamburger to invest in the company in 1719: Baasch 'Hamburg und die Compagnie von Ostende', 1897, p. 310. I am grateful to Daniel Menning for giving me this information.

[87] *Daily Courant*, January 27, 1720; NSAW, 2 Old No 6542 and 6543.

[88] Ingrao writes that the company was profitable in its early year, whereas Roider argues that it was hampered by high costs, and that it could not compete against Ottoman merchants: Ingrao, *The Habsburg*, cit., p. 140; Roider, 'Reform', cit., p. 318-319.

[89] It is unclear if the South Sea Company had made any profit from its foundation (1711) up to 1720: Wennerlind, *Casualties*, cit., p. 223.

[90] Di Vittorio, 'Un capitolo', cit., p. 6-8; McCagg, *A history of Habsburg Jews*, 1988, p. 17-18.

long record of effectively defaulting on its debt and inflicting harsh punishments to its financiers.[91] In Lisbon, the inquisitor-general, cardinal da Cunha, openly spoke about seizing the funds of Jews and 'heretics' who might invest in the prospective Portuguese companies.[92] The fact that the Oriental Company's floatation took place in September 1720 (i.e. after the crash in London and Amsterdam) does not hold either: the same crash did not prevent the market boom in Lorraine in November (see *supra*). Research in the Austrian archives might shed light on the whole matter, and help explain why financial markets were not interested in the Viennese firm.

The Milanese *Casa di San Giuseppe* belongs to the second group as well. Its projectors, the entrepreneur Ronzio and the count Borromeo Arrese, had designed, with the support of the governor of Lombardy, a grand scheme to jump-start the Milanese economy. The company was supposed to be the first stage of this plan, to be followed by other projects such as building a canal between the city and the Po and developing trade with Austria.[93] The firm's capital (4 million *lire* divided in 800 shares) was subscribed, but there was no boom in the stock. It began manufacturing and exporting textiles and soap in 1720, but it soon encountered fierce opposition from the local guilds, and it closed down around 1722.[94]

The Bank of Brunswick and the Kassel Company are also part of the second group. The Bank of Brunswick was effectively established, but its stock did not meet with great enthusiasm;[95] the Kassel undertaking was not actively traded, but it started operations and remained active until the mid-nineteenth century.[96]

The third category − the largest among the 'peripheral' countries − covers all the schemes that foundered without giving birth to a company and without generating any significant wave of speculation. It includes insurance undertakings in Denmark, the Austrian Netherlands, and the Papal States; banks in Russia and Piedmont; trading firms in Bern, Geneva, Mannheim, and Turin; China companies in Sweden and Russia; Levant companies in Venice and Sicily; East India companies in Naples, Messina, Altona, and Antwerp.

[91] The last episode had been the 1715-1716 *Chambre de Justice* and *visa*: White, 'France and the Failure to Modernize', 2001; Legay, *La banqueroute de l'État royal*, 2011; Béguin, *Financer la guerre au XVIIe siècle*, 2012.
[92] NA, SP 89/28, 14 October 1720. Also Carswell, *The South Sea*, cit., p. 119.
[93] See appendix I and *Lettres historiques*, October 1720 p. 430.
[94] See appendix I.
[95] *Journal historique*, March 1721 p. 207; *Lettres historiques*, February 1721 p. 172.
[96] See appendix I.

The 'core countries'

The 'bubbles' group is the largest by far when we add the 'core countries' into the picture. In Hamburg, two marine insurance companies were floated in July 1720, their shares raising more than 100% in a week (a third one was projected but not floated).[97] In England, out of 194 undertakings promoted in 1719-1720, probably more than 150 were effectively subscribed and traded.[98] Among them, twenty-one stocks increased by more than 1,000%. Adding the three Scottish contemporary ventures (the Society of the subscribed Equivalent Debt;[99] the Edinburgh society for insuring houses;[100] the Co-partnery for the Fishing Trade[101]), Britain as a whole accounted for 196 projects. Ireland accounted for five: three competing schemes for a bank, and two plans for a fire insurance company.[102] Historiography had hitherto identified forty-one new projects for the United Provinces, all promoted in 1720.[103] I find that the Dutch joint-stock boom started already in 1719 when at least three undertakings for a trading company were submitted to the States of Friesland.[104] Out of these forty-four schemes, there were thirty successful IPOs, and the stock price of eleven of them was up 100% or more at its peak.[105]

In this review, I am not considering firms floated long before 1719, such as the Dutch West India Company (1675), the Bank of England (1694), the merged East India Company

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97 NA, SP 82/37, c. 108-123; *Gazette d'Amsterdam*, 23 July 1720; *Gazette de Leyde*, 23 July 1720; *La Gazette*, 3 and 10 August 1720; *Nouveau Mercure*, July 1720 p. 91; *Post Boy*, 12, 16 July 1720.

98 I estimate these numbers on the basis of the contemporary press, as well as Anderson, *An historical and chronological deduction*, [1762] 1801, III, p. 103; Scott, *Constitution*, cit.; Frehen *et al.*, 'New evidence', cit., appendix I.

99 Scott, *Constitution*, cit., III, p. 269-271.

100 In spite of its name, this was not an insurance firm, but a competitor to the Bank of Scotland: Scott, *Constitution*, cit., III, p. 271; Conant, *A history of modern banks*, 1915, p. 144-145; Saville, *Bank of Scotland*, 1996, p. 85-86.

101 *Records of the Convention the Royal Burghs of Scotland*, 1885, p. 245 sq.; Scott, *Constitution*, cit., III, p. 458; Harris, 'Scotland's Herring Fisheries', 2000.

102 See footnote 27, as well as *Applebee's Weekly Journal*, 3 September 1720; *British Gazetteer*, 16 July, 13 August 1720; *Corriere di Vienna*, 14 September 1720 and 6 December 1721; *Daily Post*, 18 July 1720; *Evening Post*, 9 July 1720; *Gazette d'Amsterdam*, 2, 6 August 1720; *La Gazette*, 3, 10 August 1720; *Weekly Packet*, 16 July 1720.

103 Gelderblom and Jonker, 'Mirroring', cit., Table 8.1. I add the Berbice Company to this list. On the beginnings of this company: HaNA, Sociëteit van Berbice, 1.05.05, inv. 13, 398, 404, 409, 439. *Corriere di Vienna*, 9 and 16 November 1720. Hartsinck, *Beschryving van Guiana*, 1770, p. 320-331.

104 Fries Historisch en Letterkundig Centrum (Leeuwarden), Familie thoe Schwartzenberg en Hohenlansberg, 326, 3735. The document mentions 'various projects'. The term 'various' implies that they were more than two, but probably not many more. I opt therefore for a conservative hypothesis of three projects.

105 Gelderblom and Jonker, 'Mirroring', cit., Table 8.1; Frehen *et al.*, 'New evidence', cit., appendix II.

(1708), or even the South Sea Company (1711). All these firms played a leading role in the 1720 stock market boom, but they do not belong to the joint-stock boom that is investigated here. Nevertheless, it is noteworthy that in England, between January 1720 and their market peak (July-August), the share price of several new ventures (General Insurance +6,300%, London Assurance +4,320%, York Buildings +2,950%, Temple Brass Mills +2,400%, Royal Exchange Assurance +1,343%, etc.) increased much more than the price of the South Sea Company (+675%).[106] On the contrary, in the United Provinces the 'old' West India Company was the market leader (+634%), leaving the most successful new stocks far behind: Middleburg Commercie (+406%), Schiedam (+325%), Edam (+300%).[107]

The French Mississippi Company was a different case. Founded by John Law in August 1717, its subscription was at first rather slow. It speeded up after the introduction of a speculative mechanism in June 1718 (subscribers could pay 20% of the price to secure an option on a share, the rest being payable within five months, else the loss of the initial investment), and it closed only on the 31st December 1718.[108] On that date, the stock traded around 40% below par. It reached its peak exactly one year later, after a 3,300% price increase.[109] The Mississippi Company progressively grew into a huge conglomerate through several merger or acquisitions. I would argue that two of these operations would qualify as new schemes: the takeover of the French China and East India companies (May 1719) and the merger with the Royal Bank (February 1720). After the takeover, the firm's business became not only larger, but also different (trade with the Americas and trade with Asia were far from being comparable businesses). Significantly, John Law chose then a new name for his conglomerate: *Compagnie des Indes* (Indies Company). After the merger with the Bank, the company transformed itself again, this time into an enterprise that had no equivalent in Europe.

The years 1719-20 saw seven other French undertakings. Two of them, effectively floated and traded, were founded by John Law's rivals: the General Farms Company (directed by the Pâris brothers),[110] and the Provence Canal Company (patronized by

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[106] Scott, *Constitution*, cit., I, p. 419-421.

[107] Frehen *et al.*, 'New evidence', cit., appendix II.

[108] Velde, 'Government', cit., p. 14.

[109] *FGR 1720 price database*.

[110] AN, K885, 1, *Mémoire personnel aux sieurs Pâris*; Bibliothèque Méjanes, ms. 617, *Discours de M. Pâris*; AST, Lettere dei ministri, Francia, 147. *Gazette d'Amsterdam*, 18 November 1718; *Gazette de Leyde*, 6 June 1719.

Antoine Crozat).[111] Five other ventures were discussed but not implemented. John Law himself designed two of these: a grand fishing enterprise (the so-called North Company),[112] and an insurance company.[113] The three other ventures were: a plan to construct a canal between the Rhône and Loire rivers;[114] the gigantic corporation imagined by E. L. de La Jonchère (the projected capital was six billion livres, that is ~£0.45 billion);[115] and an undertaking promoted by De Beauchamp, an English banker based in Brussels.[116] To sum up, I will consider ten projects for France: three transmutations of the Mississippi Company and seven new enterprises.

What the maps reveal

The ten French projects, together with the other 326 joint-stock undertakings from all over Europe, appear on Figure 1. To make the map clearer, the three groups defined *supra* are condensed into two main categories. Thus, the orange circles represent the 'bubbles' (group 1 of Table 1), whereas the white circles symbolize the countries where the schemes did not generate any significant speculation (groups 2 and 3).

With 58% of the total, England is by far the first for the number of projects, followed by the Dutch Republic (13%). With all its possessions (Austria, Austrian Netherlands, Milan, Naples and Sicily), the Habsburg Empire comes third (8%). Spain is fourth (4%) and France fifth (3%). Italy as a whole represents 4.5% of the total versus 4% for Germany. These percentages are only provisional indications, as there were almost certainly other undertakings and possibly also other countries involved. Yet, there is no doubt that, whatever the result of future research, England and the United Provinces will still largely dominate the landscape.

To put the 1720 joint-stock euphoria into perspective, it is noteworthy that 40% of all the European IPOs of the seventeenth and eighteenth centuries took place on that single

[111] BM, Add. ms. 20316, c. 162. *Gazette d'Amsterdam*, 28 May 1720; *Gazette de Leyde*, 17 March 1719; *Journal historique*, April 1719 p. 238, January 1720 p. 51. Elie, 'La spéculation sous la Régence', 1953.

[112] NA, SP 78/165, c. 428; *Gazette d'Amsterdam*, 17 and 21 November 1720.

[113] Marmont du Hautchamp, *Histoire du systeme*, 1739, VI, p. 109-113 publishes the text of the edict that established the company. See also *Leydse Courant*, 17 June 1720.

[114] AN, G^7 599, 5 February 1720.

[115] NA, SP 78/165, c. 410-428; 78/166, c. 420. Lécuyer de la Jonchère, *Système d'un nouveau gouvernement*, 1720.

[116] AAE, CP Bruxelles, 81, c. 153-155. Although we don't have the details, it seems highly improbabe that this project, whose aim was to supersede Law's System, did not include the creation of a joint-stock company.

year.[117] This computation only takes into account corporations that were effectively floated, as it would be almost impossible to review all the joint-stock schemes promoted during these two centuries (i.e. including group n. 3 of Table 1). Anyhow, even considering only the effective IPOs, 1720 stands out as an exceptional year (Figures 6 and 7). The previous joint-stock boom of 1692-1696 (a purely British phenomenon) pales by comparison.

Figure 2 underlines the geographical difference between the joint-stock boom and the financial markets boom (equity and foreign exchange): the first really spanned across the continent; the second was more concentrated. To highlight the specific distribution of the latter, I have given a score to the orange circles based on a simple model. [Model to be described here.] Linking the orange circles according to their latitude gives an interesting perspective on the global bubble. The North Sea line (from London to Hamburg and Hanover) adds together a score of 22; the continental line (from Paris to Lorraine) accounts for twelve; the Mediterranean line (from Lisbon to Venice) amounts to three. Clearly, the 1720 market fever had been primarily a northern phenomenon.

Returning to Figure 1, we see that the joint-stock boom also took place mostly along the North Sea. Including the Austrian Netherlands, Emden (East Frisia), Hanover, and Altona (the city, situated a few kilometers from Hamburg, were the two Danish companies were promoted), then 80% of all the new schemes were located along the London-Hamburg axis. Therefore, and not so surprisingly, the stock market boom and the joint-stock boom mostly overlapped.

The two maps also highlight the special situation of the Austrian Netherlands. It was probably not a coincidence if the third largest cluster of undertakings after England and the United Provinces was located next to these two nations, as well as in the center of the triangle formed by Paris, London, and Amsterdam, the three most active stock exchanges in 1719-20. Yet, no 'bubble' emerged in the Austrian-dominated part of the Netherlands, and this probably was not a coincidence either. We noted the puzzling lack of speculative interest for the Oriental Company. For reasons that still have to be elucidated, there was no market frenzy anywhere in the Habsburg Empire. In Belgium, the complex political equilibrium between Brussels and Vienna chiefly explains why none of the seventeen local schemes managed to take off in 1720 (the Ostend Company was floated only in 1723 after

[117] The list of the English IPOs is mainly based on Scott, *Constitution*, cit.; and DuBois, *The English business company*, cit. The list for the rest of Europe is drawn from a multitude of sources, in particular Savary des Brûlons, *Dictionnaire universel de commerce*, 1759-65; *Table générale du Journal historique*, 1759; Bonnassieux, *Les grandes compagnies de commerce*, 1892. Despite my best efforts, I have almost certainly missed some 17th or 18th century IPOs. Yet, I consider that these would not be sufficiently numerous to significantly alter the relative importance of the year 1720.

much deliberation within the imperial government).[118] Therefore, the apparent Belgian anomaly – on the one hand, a large number of ventures; on the other, an absence of speculation in spite of its proximity to the Paris-London-Amsterdam triangle – was the result of the peculiar geopolitical situation of a country that belonged, economically, to the dynamic North-Sea area and, politically, to the more conservative Habsburg Empire.

Financial innovation and its diffusion

Two financial innovations

What is the point of studying stranded projects and foundered IPOs? Why, as economic and financial historians, should we take them into account? My thesis is that these undertakings are meaningful despite their ultimate failure. Firstly, as underlined above, they attest to the pan-European dimension of the euphoria on which the bubble rode. Secondly, leaving aside the question of whether their stock was traded or not, it is interesting to compare all the new firms promoted around 1720: patterns and trends emerge, that had not been identified previously, and that shed new light on the global boom. The paper will address two issues in particular: the business sectors in which the companies were (or could have been) engaged and the timing of their (successful or unsuccessful) launch.

Let us start with the business sectors. The 1719-1720 boom saw two financial innovations.[119] The first was related to public finance. It is well known that both John Law's scheme in France and the South Sea scheme in Britain were based on the exchange of public debt for stocks. We noted above that a comparable debt-for-equity swap (the so-called 'Dutch Mississippi') had been proposed and debated at length in the United Provinces. It is compelling to discover that similar projects were promoted in the Austrian Netherlands, Portugal, Spain, Lorraine, and Piedmont. Moreover, in most countries involved in the join-stock boom, some, if not all, new ventures were geared to the government's efforts to increase its income and reduce its debts.

In Brussels, for instance, Marsaut and Du Péray (two French financiers apparently connected to John Law) proposed to the imperial government a plan to pay off all public debts in four years (spring 1720). Upon reading the project, a senior official wrote

[118] Huisman, *La Belgique*, cit., p. 159-179.

[119] On the importance of innovation for explaining investor optimism during the 1720 bubble: Frehen *et al.*, 'New evidence', cit.

enthusiastically to Vienna saying that the emperor had found 'a second Law'. A few months later, a syndicate of English businessmen presented to the imperial ambassador in London a scheme to erect in Ostend a company that would be, at the same time, a marine insurance business and an East India venture. The scheme provided also that the company would lend, with a low interest rate, the sums the government might require, in particular to buy back the loan (12 million guilders) that the United Provinces had granted to the Austrian Netherlands.[120]

In Lisbon (October 1720), Thomas Burnett, the British resident, explained in a letter sent to London that:[121]

> The noise of the gains by Mississippi and South Sea, and that easy method of clearing publick debts, induced the marques d'Abrantes, the principal favorite of this court, to propose the erection of a company, in order to pay off the debts of this crown, and put a considerable sum of money in the king's coffers for any emergency.

In Madrid, the Dutch investors behind one of the most ambitious undertakings (a firm with a monopoly on the commerce with Spanish America and another monopoly on Spanish wool and iron trade) assured that the crown would gain 25 million in pieces of eight (approximately £5 million) if it accepted it.[122] Another Spanish scheme explicitly recommended that one sixth of the shares of the projected company might be exchanged for royal bonds 'in order to facilitate the subscription and to imperceptibly pay off the king's debts.'[123]

In the project that prince Sčerbatov sent to the tsar in June 1720, he explained that the creation of a company and a bank (modeled on John Law's System) would be beneficial to Russia, especially in time of war[124]:

> Your Majesty, he wrote, will get a great benefit from the transformation of specie into paper money. We need it greatly, especially now that we are at war and that money is used to maintain and expand Your Majesty's armed forces for the defense against the enemy and the protection of the Russian state. The creation of a commercial company can develop, in due time, the Russian trade and increase Your Majesty's revenues.

[120] Huisman, *La Belgique commerciale*, cit., p. 169-177.
[121] NA, SP 89/28, c. 124. I added the italics.
[122] NA, SP 94/89, 29 July 1720.
[123] AHNM, Estado leg. 3188, n. 415 (s.d. but clearly 1720).
[124] Quoted in Troickij, 'Le système de John Law', cit., appendix I, p. 63.

We could multiply examples like these. Clearly, French and British experiments with public finance engineering were part of a much larger phenomenon. Most European powers were then facing similar fiscal problems; they were struggling with unprecedented debt loads mostly accumulated during the previous wars, while they also needed fresh resources for new conflicts (the war of the Quadruple Alliance, the Spanish expedition in Morocco) or for old ones still going on (Great Northern War).

The second innovation occurred in the insurance industry: 1720 can be considered the birth date of the first joint-stock corporations for insuring ships. The movement started in England, where two large companies, the London Assurance and the Royal Exchange Assurance, secured a royal charter; three other undertakings were not floated.[125] Such was the craze for this innovation among investors that the stocks of the two corporations soared much higher than the shares of the South Sea Company (see above). Partly spurred by the British example, fifteen or possibly more marine insurance enterprises were projected in the United Provinces (some at the municipal level, such as the Rotterdam Company; some others at the national level, such as the schemes engineered by the broker De Souza Britto).[126] In Hamburg, enthusiasm for joint-stock marine insurance underwriting was such that no other type of companies was promoted.

Table 2. Number of joint-stock schemes related to marine insurance (1720)

Dutch Republic	~15
Hamburg	3
England	5
Austrian Netherlands	1
Denmark (Altona)	1
East Frisia (Emden)	1

Sources: see text.

Until now, only these firms were known. We can add now three more countries to the list: the Austrian Netherland, Hamburg, and Eastern Frisia. As noted above, a syndicate of London merchants projected a firm for insuring ships in the Austrian Netherlands (Ostend).

[125] Drew, *The London Assurance*, 1949; Supple, *The Royal Exchange Assurance*, 1970.

[126] *Het groote Tafereel*, 1720. *Courrier politique*, 20 September 1720; *Europische mercurius*, September 1720 p. 200; Gelderblom and Jonker, ‘Mirroring’, cit.; Frehen *et al.*, ‘New evidence’, cit.

Investors from Hamburg promoted similar schemes in Denmark (Altona)[127] and Eastern Frisia (Emden).[128]

According to a Dutch gazette, a concern for insuring ships had also been planned in Venice (August 1720). I could not find any other source reporting about it, and therefore I am not counting it in the review. Yet, the information seems plausible, as there had been two analogous projects in Venice in 1668 and 1681. The latter had effectively given birth to a chartered joint-stock enterprise. However, for some reason (likely because the senate had not granted it the monopoly that it had been seeking) the firm never started operations. It is possible that the idea of such a company was still in the air, and that it crystallized again in the wake of the 1720 euphoria. A comparable process had happened in the Dutch Republic, where plans for a marine insurance corporation had failed in 1628 and 1635,[129] and in England where a similar project had foundered in 1660.[130]

Marine insurance required highly specialized knowledge (in particular about ships, captains, and sea routes), and private underwriters or partnerships that had this kind of intelligence had effectively operated it for centuries.[131] The value of the joint-stock form – provided that the companies did not have a monopoly – was therefore less obvious in this industry than in fire or life insurance (that were primarily based on probabilities and large numbers). As none of the 1720 firms had such a monopoly, the explosion of interest for this type of corporation did not necessary make sense economically. With Michael Aldous we are currently working on this subject, and I will not expand it further here.

Anyhow, there is no doubt that contemporaries perceived public companies for insuring ships as a promising advance that had to potential to transform not only that industry, but also trade in general, mainly because they thought these firms would be able to offer lower rates, quicker insurance, and better guarantees, thus providing a great benefit to the mercantile community.[132]

The focus here is on innovation, but to put the 1720 joint-stock boom into perspective it is important to keep in mind that, overall, the largest business sector was a traditional one,

[127] *Corriere di Vienna*, 19 October 1720; *Mercure historique*, October 1720, p. 397.

[128] See appendix. Groeneveld (1940), and Gelderblom & Jonker (2010) mention the Emden Company, but without specifying that it was also involved in marine insurance.

[129] Spooner, *Risks at sea,* 1983, p. 24; Gelderblom & Jonker, 'Mirroring', p. 19.

[130] Raynes, *A history of British insurance*, 1948, p. 100-101.

[131] See for instance Straus, *Lloyd's*, 1937, p. 42 sq.; Boiteux, *La fortune de mer*, 1968, p. 175-177; Clayton, *British insurance*, 1971, p. 55-56.

[132] See in particular LMA, *Special Report from the committee appointed to enquire into the several subscriptions*, 1720, p. 26-32. Also Straus, *Lloyd's*, p. 27-28.

namely commerce. More than 80% of all the schemes were related to commerce, and nearly 60% to long-distance trade. These percentages take into account the fact that several undertakings encompassed a range of different industries. For instance, the projected Belgian insurance company also comprised a bank and an East India concern; the activities of the Kassel firm went from manufacturing and regional trade to banking; the Russian enterprise projected by prince Sčerbatov embraced banking, tax farming, fisheries, and long-distance commerce. Conversely, all the Portuguese and Swedish schemes, and most Spanish projects, were only concerned with colonial trade.

Long-distance commerce was also a prominent feature of the global stock market bubble.[133] The Mississippi and the South Sea companies are the foremost examples, but several new English colonial ventures also experienced an impressive boom: the Bahama Islands Company (whose shares increased at their peak by 1,233% above par), the Pennsylvania Company (+662%), the undertaking to grow flax and hemp in Pennsylvania (+1,020%), or the Gold Mining Company (+3,100%) that was supposed to colonize Australia.[134] Likewise, speculation propelled the stocks of some of the mercantile corporations of the seventeenth century generation such as the Dutch West India Company, the Royal African Company, or the East India Company. To give just one example, the goldsmith-banker George Middleton wrote in one of his letters that English investors were 'furiously' buying East India stock on the prospect that it would embark on a 'new project […] for enlarging their trade by a settlement somewhere on the coast of Africa' (the Ophir project mentioned above).[135]

A two-speed Europe

The two financial innovations of 1719-20 were differently distributed across Europe. Roughly speaking, debt-for-equity swaps highlight a political and military map (Figure 3), whereas marine insurance highlights an economic one (Figure 4).

In the words of Thomas Burnett (see *supra*), debt-for-equity swaps had been designed as an 'easy method of clearing publick debts'. In early modern times, large public debts were generally the result of military and diplomatic expenditures. It is therefore not surprising to

[133] Frehen *et al.*, 'New evidence', Table 2, show that Atlantic trade was one of the industries with the highest maximum percentage price increase in Britain during the 1720 bubble.

[134] Scott, *Constitution*, I, cit., p. 420-421.

[135] CA, Coutts Letter Book O 14, p. 235, 16 June 1720. On the banker Middleton: Neal, 'For God's Sake, Remitt Me', 1994; and *I am not master of events*, cit.

see that countries and city-states that had been mostly at peace in the previous decades (Tuscany, the Papal States, Switzerland, Geneva, Hamburg) do not appear on Figure 3. On the contrary, with the exception of Austria, Prussia, and Bavaria, all the major powers that had fought the long and costly War of Spanish Succession (Britain, France, the Dutch Republic, Spain, Piedmont, Portugal) are on the map. Lorraine had also been involved in the war, and its grand duke nourished territorial ambitions.[136] The Austrian (formerly Spanish) Netherlands, although not an independent state, had been at the heart of the conflict and had consequently accumulated a considerable debt.

Following the logic of Figure 3, one wonders if some projectors had not proposed similar debt conversion schemes to other military powers: Austria, Bavaria, Prussia, Denmark, Sweden, and Poland all come to mind. This would be quite plausible considering that these nations had been deeply engaged in costly wars, or were still fighting. Some sources suggest that contemporaries expected that Austria, at least, would be a prime target for projectors with debt swaps plans. 'The projectors are at work [in Vienna] as well as in France and elsewhere, and several schemes have been offer'd for discharging the publick debts' wrote an English journal.[137] Even assuming that this was untrue (since no other source confirmed the information), it is telling that a newspaper would mention it. Moreover, after John Law had fled France (December 1720), there was a rumor that he had been invited to Austria to 'take care of the repayment of the emperor's debts'.[138] The imperial government vigorously denied it, yet the rumor persisted for a few days, and there were even reports saying that Law had arrived incognito in Vienna.[139]

Turning now to Figure 4, it appears clearly that marine insurance companies only concerned a specific part of Europe; they were promoted along the same London-Hamburg ridge where the bulk of the joint-stock boom took place and where the financial market boom reached its highest intensity (Figures 1 and 2). Why only these countries? Why other maritime nations, such as France, Spain, Portugal, Genoa, etc., did not join a trend that seemed poised to transform commerce?[140]

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[136] Haussonville, *Histoire de la réunion de la Lorraine à la France*, IV, 1860, p. 122.

[137] *Weekly Packet*, 4 June 1720.

[138] *Gazette d'Amsterdam*, 28 January 1721; *Lettres historiques*, January 1721, p. 113; *Post Boy*, 7 February 1721.

[139] *Gazette d'Amsterdam*, 31 January 1721.

[140] The 14 January 1721 (supplement) issue of the *Gazette de Leyde* mentions a Portuguese insurance scheme. However, as noted above, there is no other source confirming the information. Besides, the newspaper does not specify if the project was about fire or marine insurance. Likewise, John Law's insurance scheme (see note 113) did not mention marine insurance.

Until now, we have seen projects, euphoria and speculation spreading across the continent with little regard to national borders. On the contrary, we have now two parts of Europe looking in different directions. There is no easy way to explain why France, Spain, Portugal, etc. bypassed a novelty that was making so much noise along the North Sea. Yet, it is possible to narrow the problem by excluding two hypotheses: a) these countries were not aware of the innovation; b) they were not interested because they were using different naval methods (such as the Spanish or Portuguese convoy systems).

Information circulated widely; there is no doubt about that. French, Spanish and other European gazettes wrote about the marine insurance boom in England, the Netherlands, and Hamburg.[141] Even more significant, there are French and Spanish ships among the clients insured by the London Assurance as early as 1720.[142] Clearly, the merchant communities in France and Spain were not only aware, but also directly interested in the services offered by joint-stock insurances. As a matter of fact, insurance patterns for ships were more or less homogeneous across Europe, and until the eighteenth century southern Europe had been active on the front of innovation. Spain (together with Italy) had been a frontrunner in the sixteenth century, and had developed insurance partnerships in the seventeenth century.[143] France had also been a pioneer in the seventeenth century, with the creation of the *Chambre des Assurances* (1664): a hybrid corporation (*société en comandite*), half joint-stock and half partnership.[144] Yet, the landscape had changed in 1720 and the front of innovation had decidedly moved to the north.

Looking now to a different business sector, Figure 5 represents the states where all, or most (more than 75%), schemes were connected to long-distance and colonial trade (Table 4). The map is particularly interesting when compared to Figure 4. Leaving aside for the moment the special cases of the Austrian Netherlands and Emden, there was a significant difference in development between the countries in the two maps. The nations and cities on Figure 4 were among the most 'advanced' economies of the time.[145] Denmark as a whole might not have been so much ahead, but the city of Altona could be considered as a kind of extension of Hamburg. By contrast, none of the states in Figure 5 belonged to the group of

[141] E.g. *Gaceta de Madrid*, 2, 23 July, 13, 20 August 1720; *La Gazette*, 22, 29 June, 20 July, 3 August 1720; *Nouveau Mercure*, March 1720 p. 127, June 1720 p. 146, July 1720 p. 91, 94, 98, 102, August 1720 p. 157.

[142] LMA, CLC/B/192/MS 8729/1, p. 74.

[143] Pons Pons, 'Compañías de seguro marítimo en España', 2007.

[144] Levy-Bruhl, *Histoire juridique*, 1938, p. 39; Boiteux, *L'assurance maritime à Paris*, 1945, p. 21 sq.

[145] Most advanced along the transition to modern economic growth (Kuznets, 1974): i.e. considering relative living standards, rates of economic growth, rates of urbanization, transition from agriculture to industry and service, transition from a religious to a secular society, openness to international markets.

the most developed, or most dynamic European economies of the time. Some of them were growing from a low starting point (Russia); others declining or stagnating in relative terms (Spain, Portugal, Naples, Sicily and, in a way, also Sweden).

Table 3. Percentage of new joint-stock schemes related to long-distance/colonial trade

Sicily	100%
Sweden	100%
Portugal	100%
Naples	100%
Emden	100%
Spain	92%
Austrian Netherlands	76%
Russia	75%
Denmark	66%
Austria	50%
France	30%
England	10%
United Provinces	2.5%

Sources: see text.

My thesis is that these schemes highlight a two-speed Europe. Roughly speaking, with the marine insurance firms some of the most sophisticated economies were moving to a new stage of development; at the same time, less advanced economies were trying to catch up with a model that was already more than one century old, namely the privileged join-stock company for overseas trading and colonization. The model had spread to Portugal and Sweden in the seventeenth century, but the colonial companies created there had foundered;[146] in Spain, Sicily, Naples, and Russia, no joint-stock enterprise had yet been founded.[147] Other countries – England in particular – promoted new colonial enterprises in 1720. The peculiarity of Portugal, Spain, Naples, etc. was that long-distance commerce was the unique (or almost unique) focus: neither foreigners, nor local projectors seem to have envisioned scope for the joint-stock form outside of it.

[146] The Portuguese crown had granted a charter to an India Company (1628) and a Brazil Company (1649); the Swedish crown to a West India Company (1637) and an African Company (1649).

[147] The Honduras Company founded in Spain in 1714 was more a partnership than a real joint-stock company: Delgado Barrado, *Fomento portuario y compañías*, 1998, p. 102.

The Austrian Netherlands and Emden stood in an in-between position. Concerning marine insurance they belonged to the advanced group; regarding the share of overseas and colonial projects they were close to the least developed countries. The causes of this peculiar situation were chiefly political. Philip II of Spain (1598) and then the treaty of Münster (1648) had prevented the Belgians from fully participating in the Indies trade.[148] As a consequence, there was a powerful drive in Antwerp and Ostend to catch up with colonial ventures. Likewise, the Dutch Republic – that dominated Emden during the seventeenth century –[149] had thwarted all attempts there to form an East India Company.

The timeline of the equity boom and its meaning

One of the most striking and unexpected findings of this research is related to the timeline of the global equity boom. We already knew that the French, English, and Dutch bubbles were connected but not synchronous: the Mississippi Bubble reached its peak first (January 1720), followed by the South Sea Bubble (July 1720) and by the bulk of the *Windhandel* (September 1720). It is compelling to find that the crash of the Paris, London and Amsterdam equity markets did not discourage projectors and investors elsewhere. In the three months following the Amsterdam collapse, at least fifteen new companies were promoted or chartered (in the Austrian Netherlands, Denmark, Emden, Hanover, Palatinate, Papal States, Portugal, Russia, Spain) and three companies were effectively floated (in Emden, Hanover, Lorraine).[150]

What is more, two of these IPOs each gave rise to a market boom. Fuelled by strong inflows of foreign capital, the shares of the Lorraine Company surged by 40% in a few days; they reached their peak the 14 November 1720, and were still 20% above par at the end of December 1720; they did not fall under par until the end of 1721.[151] The stock of the Hanover firm was not massively traded, yet many British speculators (including Case Billinglsey, the projector of the Royal Exchange Assurance) bought it, and there is evidence that its price surged by more than 500%, from £15 to £80.[152]

[148] Huisman, *La Belgique*, cit., p. 10-12; Van Langendonck 'Le mouvement colonial' 1923.

[149] Gosling, *Slingelandt's Efforts Towards European Peace*, 1915, I, p. 146.

[150] See Apendix.

[151] For the sstock prices of the Lorraine Company: *Gazette d'Amsterdam*, 25 October, 12 and 15 November, 31 December 1720; *Journal historique*, May 1721, December 1721.

[152] Barrington, *The Lord Viscount Barrington's case*, 1722, p. 20; Cummings, 'The Harburgh Company', cit., p. 7.

Perhaps even more strikingly, some Dutch companies bubbled in October-November 1720. The Dordrecht Company was at its apex the 7 October; Middelburg Commerce (the second best performing 1720 Dutch stock after the West India Company) the 26 October; Middelburg Insurance the 4 November.[153] To put these bubbles into perspective, the West India Company had reached its peak the 28 August; the 7 October its share had already lost 65%, the 26 October it was down 83%.

Gelderblom and Jonker (2010, p. 15-17) argue that this later Dutch equity boom looks suspicious as the *Leydse courant* (the primary source for Dutch stock quotes) probably reported fabricated prices in the autumn of 1720, i.e. prices planted by brokers and promoters in order to canvass support for their subscriptions. There is strong evidence, however, that it was far from easy to manipulate the Dutch press. In the same months, John Law and the French government had tried to do exactly that; they used every possible method – including corruption, physical threats to the editors and their families, indirect political pressure both at the municipal and national level – but they failed.[154] Contemporary Dutch (and English) newspapers had their own ways to preserve their freedom.

Moreover, supposing that some influential promoters had succeeded in planting information, it seems quite difficult that they would have succeeded in doing so week after week. Yet, the Middelburg Commerce stock price stayed at the top for twenty days (7-26 October), with some occasional downward fluctuation; the Middelburg Insurance stock oscillated above 2,000 guilders for more than one and a half months (7 October-23 November); the Dordrecht Company share stayed above 400 guilders for over two months (30 September-2 November).[155]

Besides, the second Dutch boom is consistent with the diachronic character of equity markets all over Europe. By diachronic, I mean stocks following a similar pattern but with a time lag. In England, the marine insurance firms reached their peak (25 August 1720) almost two months after the South Sea Company and most other stocks had started their descent.[156] Likewise, in Paris the Provence Canal firm boomed (+40% above par) at the end of May 1720, in the same days when the Mississippi Company was crashing.[157]

The stream of new schemes gradually declined, but did not dry up with the end of 1720. Seventeen companies were promoted or chartered in 1721 (in Belgium, Brunswick,

[153] *FGR 1720 price database*.
[154] Condorelli, 'La presse étrangère et le Système de Law', forthcoming.
[155] *FGR 1720 price database*.
[156] *Ibid*.
[157] *Ibid.; Gazette d'Amsterdam*, 28 May 1720.

Denmark, Hanover, Hesse, Naples, Piedmont-Sardinia, Portugal, Russia, Sicily, Spain, Sweden, Switzerland).[158] The question here is to what extent these 1721 projects and firms belong to the same wave of euphoria that began with the Mississippi and South Sea Bubbles. Where shall we set the time limit of the pan-European stock boom?

I would argue that the boom and the subsequent crisis lasted as long as the contemporaries perceived them as a present reality, as long as it was not yet history for them. In Britain, the political and social crisis triggered by the collapse of the South Sea scheme was not over before the end of 1721. A research in the Burney Collection of historical newspapers shows that the recurrence of the word 'bubble' declined significantly only after October 1721. In France, those (including many international investors) accused of having earned too much during the Mississippi Bubble had to wait September 1722 to know how much they would be fined; the final liquidation of Law's System was completed only in October 1722. Needless to say, the European press covered the long liquidation process till the very end.[159] Considering all these elements, and many others, I would choose the end of 1722 as the time limit. Therefore, I would consider that the joint-stock firm promoted in Bologna in September 1722 still belongs to the scope of this research.[160]

In summary, the 1719-20 stock euphoria may be divided in two main periods: a) a central phase (summer 1719-summer 1720) that started with the Mississippi Bubble and lasted till the collapse of the first *Windhandel*; b) a long coda (autumn 1720-autumn 1722) which started with the Lorraine and Hanover bubbles and lasted till the final liquidation of the Mississippi Bubble. Three hundred schemes were promoted during the first period versus thirty-six in the second phase.

The diachronic character of the 1719-22 boom contrasts with what usually happens in today's financial markets, especially in time of turmoil. It would be difficult to imagine, for example, a stock market bubble inflating in Britain one month after a brutal crash in the United States and the Eurozone. Even harder to imagine a string of emerging markets booming and crashing shorty one after the other (research has shown that these tend to have the highest price synchronicity during financial crisis).[161] How can we explain that 1720 markets behaved in quite a different way?

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[158] See appendix.

[159] E.g. *Daily Courant*, 15 October 1722; *Daily Post*, 15 October 1722; *Gazette d'Amsterdam*, 23, 27, 30 October 1722; *Gazzetta di Bologna*, 22 and 27 October 1722.

[160] See Appendix.

[161] Forbes, Rigobon *et al.* 'Contagion in Latin America', 2001; Khandaker and Heaney 'Do Emerging Markets Have Higher Stock Synchronicity?', 2009; Khandaker and Islam, 'Volatility and co-movement', 2015.

We can start by saying that diachroneity was not the result of lack of information, or lack of economic and financial integration. There is countless evidence that all over Europe investors and businessmen, together with the general public, were quite well informed about what was going on in the most active stock markets. The *Gaceta de Madrid,* the *Gazeta de Lisboa*, the *Corriere di Vienna*, the *Avvisi di Napoli*, or the *Gazzetta di Bologna*, to take these examples, regularly gave news and share prices about the Paris, London, Amsterdam, and Hamburg markets.[162] In Germany, besides the press, the public was informed by a number of pamphlets and books (including a German translation of John Law's *Money and Trade Considered*).[163] Moreover, many new ventures attracted speculators that had already and directly experienced market crashes elsewhere. All the promoters of the Lorraine schemes were Parisian financiers, and it is highly probable that the Jewish bankers from Lorraine that had intensely participated in the Mississippi Bubble also took part in their home bubble.[164] James Edward Oglethorpe, who came to Lisbon in October 1720 to 'try his fortune' (see *supra*), belonged to a family closely connected to John Law, and had been an active investor in the French Indies Company.[165] Stephen Ram, the main British promoter behind the Brunswick scheme (summer 1720), had previously been one of the key actors in the London Assurance's IPO.[166]

My hypothesis is that contemporaries simply did not expect that a market downturn somewhere should necessarily generate a contagion effect. Therefore, contrarily to what would often happen nowadays, there were no self-fulfilling anticipations leading to a synchronous financial crash. Contagion did occur – especially between the English and Dutch equity markets – but it likely followed other channels, in particular financial distress.[167] Contemporaries were aware that the wave of speculation was becoming a European phenomenon,[168] yet they tended nonetheless to see each national boom as a

[162] E.g. *Gaceta de Madrid*, 8 August, 12 and 26 September, 28 November 1719, 13 January, 23 April, 13 August, 10 September 1720; *Gazeta de Lisboa*, 11 April, 6 and 13 June, 11 and 25 July, 8, 15, 22 and 29 August, 5, 12 and 26 September, 10 October, 7, 14 and 28 November 1720; *Corriere di Vienna*, 26, 30 October, 2, 6, 9, 13, 16, 20, 23, 27, 30 November 1720; *Avvisi di Napoli*, 23 January 1720; *Gazzetta di Bologna*, 7 May 1720, etc.

[163] Rosenhaft, 'Tout ce qui brille n'est pas d'or', forthcoming.

[164] AAE, CP Lorraine 107, c. 19, 224.

[165] BL, Add. ms. 31140, c. 56, 58, 62, 76, 80.

[166] Drew, *The London Assurance*, cit., p. 6-8; *The Case of great numbers*, cit.

[167] Investors having bought stocks on margin being forced to sell other assets in order to raise cash: Frehen *et al.*, 'New evidence', p. 594.

[168] See for instance the extracts from the *Lettres Historiques* below. A contemporary pamphlet, *The Dutch Bubblers*, declared: 'The Dutch […] are grown as foolish […] as any neighbouring nation: they coppy England and France in vile destructive bubbles'.

somewhat special case. This perspective appears clearly in this extract where an Amsterdam periodical commented on the flotation of the Imperial Company in September 1720:

> As there is every appearance that absolute power [of the government] or vested interests will not have as much influence on this company as they have on other companies that have been erected in several other European countries, we can hope that it will not face the same troubles […].[169]

Three months later, the same periodical made similar observations about a scheme for a corporation in Lisbon:

> It seemed that the king [of Portugal] had abandoned the project of erecting a trading company in imitation of the French and English ones. But they assure that His Majesty wants to enact it now, and that they have found effective ways to preserve this company from the difficulties where the others have fallen.[170]

Again, in January 1721, the same paper explained that the joint-stock company projected in Ostend should supposedly become 'the best of Europe, by the measures [the projectors] were taking to ensure its credit'.[171] However, this time the journal added a note of skepticism: 'should we dare, it asked, to trust [this new undertaking] after what has happened in France and in the neighboring countries?' The public in general, and investors in particular, had clearly learned a number of lessons about stock markets in the previous months, and the general exuberance was waning. In March 1721, when the Brunswick Bank was about to be floated, another gazette explained to its readers that 'the bad results that other similar enterprises have experienced elsewhere does not give much emulation to the new shareholders in Brunswick'.[172]

Needless to say, many market observers had not waited 1721 to question the sustainability of the consecutive equity booms. According to a French diplomat in Hamburg (25 August 1720) 'the most informed merchants' of the city were convinced that the English shares would plunge within a few months, and that the 'contagious disease' of stock trading would soon take over Holland.[173] In October 1720, the same Amsterdam

[169] *Lettres Historiques*, October 1720 p. 428-429. Italics added.
[170] *Ibid.*, December 1720 p. 731. Italics added.
[171] *Ibid.*, January 1721, p. 113.
[172] *Journal historique*, March 1721 p. 207.
[173] AAE, CP Hambourg 48, p. 214.

periodical that had expressed one month earlier some optimism about the prospects of the Imperial Company was less sanguine about the Venetian IPO:

> It would be curious, it noted, in the present conjuncture of so many companies established in other European countries, that the Republic of Venice would be able to foresee and avoid the inconveniences that have caused elsewhere so many prejudices to the civil society.[174]

Still, even if the consecutive equity booms happened to be unsustainable, contemporaries saw that there was a profitable – albeit difficult – game that could be played, namely riding one bubble after the other. A great number of documents show that this jumping game became a general theme in the press and the business letters – although it is not clear how many investors actually managed to play it. For instance, a Parisian report published by the *Daily Post* (22 March 1720) noted that the local stockjobbers were 'very much discouraged', that they expected 'that before a year is at end, the affair of the Mississippi will sink very much lower', and that those who had money were going to London to invest it, anticipating that 'the South Sea Company [was] in a fair way to be as high, in proportion, as [the] Mississippi stock has been.' Early August, a report from London was telling a comparable story:

> Many of our stockjobbers have gone to Holland in order to be the first to subscribe in the schemes they are promoting there to pay off the debts of the Republic; and many persons of quality, and others, that have made big profits with the South Sea Company, have also sent orders to their agents or friends in Holland to subscribe to those new companies.[175]

There is evidence that investors were effectively trying to do that, and that they were often experiencing the typical difficulties inherent in market timing strategies (missing the big movements) and in IPOs (getting too few shares). Lord Strafford's letter book is particularly interesting in this respect.

[paragraph about Strafford's operations here]

As many investors were jumping, or waiting to jump, from bubble to bubble, a feedback loop developed. Instead of shortening the sequence and length of the global boom, self-

[174] *Lettres Historiques*, October 1720 p. 407.
[175] *Corriere di Vienna*, 3 August 1720.

fulfilling anticipations ended up extending it; they generated diachroneity instead of synchronicity. A British diplomat in Lisbon clearly describes this feedback process when he writes (11 November 1720) that 'the great sums that have been lately remitted hither from England for subscriptions [in a Brazil Company] have been, I believe, the greatest incouragement for their [the Portuguese] undertaking it'.[176] There is evidence suggesting that projectors expected that the floatation of a new firm – at least in certain countries – would nearly automatically attract foreign capital. For instance, writing to the king of Spain (15 June 1720), a projector assured that if an Indies Company was launched in Cadiz, the Dutch would be willing to buy shares for 50 million piasters (~£10.7 million).[177] Another scheme for a Spanish corporation based its calculations on the assumption that foreign investors would certainly be 'furiously' interested in its stock.[178]

Experimenting with the join-stock form

Besides the question of foreign capital, this latter Spanish undertaking is interesting because it reiterates a theme that we already briefly mentioned – and that was a topos of the 1720 joint-stock boom – namely that new companies might do better than previous ones. In this specific case, the anonymous projector asserted that the corporation he proposed would become 'more solid, more flourishing and more wealthy than all the others', not only because it would be carefully planned and managed, but also because it would be 'based on a solid and stable foundation', i.e. 'the Spanish Indies, the source of all the riches of Europe'. This statement was not pure rhetoric. The years 1719-21 were a period of intense economic experimentation. For a few months in the fall of 1719, John Law's System had given the impression that financial techniques could totally transform a society for the better. The South Sea scheme, as long as it seemed to work well, had also captured the imagination of the public in Britain and the rest of Europe. Who could have told then if a well-organized Spanish company would not end up transforming the Atlantic world together with the European economy?

The experimentation with the joint-stock form took three main directions. The first one, which we have analyzed in detail, was the attempt to import the corporate model – and therefore also the stock market – in countries that were not necessarily ready to accept them

[176] NA, SP 89/28, c. 138.
[177] AGS, Estado leg. 6192, 15 June 1720.
[178] AHNM, Estado leg. 3188, 415, c. 50.

(an that indeed, in most cases, rejected them). The second direction was about business sectors. Contemporaries and following generations have often lampooned the crop of odd schemes that were projected in England in 1720, but these were really part of a general idea that it was possible to apply the joint-stock form to the whole market economy: from marine insurance to agriculture, from consumer goods to the building industry.[179] There had never been before public companies for constructing houses or ships, for planting madder or improving land and gardens in England, for supplying London with meat and fresh fish. To my knowledge, joint-stock firms for local or regional trade were also a 1720 novelty. These were promoted not only in England, but also all over Europe (in the United Provinces, Austrian Netherlands, Switzerland, Geneva, France, Lorraine, Milan, Naples, Papal States, Palatinate, Brunswick, Hanover, Hesse).

The joint-stock form proved to be particularly effective for the constitution of conglomerates. John Law opened the way with his gigantic company, a kind of economic monster with three heads (tax farming monopoly, overseas trade monopoly, and state bank). This model did not appeal to later generations, but it inspired many 1720-21 projectors (in Britain, Austrian Netherlands, Lorraine, Brunswick, East Frisia, Hesse, Hanover, Spain, Piedmont, Russia). Conglomerates – albeit less mighty – became a kind of fashion also in the Dutch Republic: from mid-August 1720 on, new schemes there embraced at least four or five different industries (insurance, manufacturing, shipping, infrastructure, river tolls, trade, etc.)[180]

The third direction of experimentation had to do with the problem of the secondary market. Without entering into the vast issue of how speculation was perceived in early modern times, we can simply note that 'stock jobbing' (as contemporaries called it) was generally considered a shameful activity. Johnson' *Dictionary of the English Language* (1755) defined a stock-jobber as 'a low wretch who gets money by buying and selling shares in the funds.' Respectable people, and in particular aristocrats, could invest in shares almost all over Europe, but they could not speculate – at least in theory – without losing their honor and rank.[181] So one of the financial problems that contemporaries tried to solve was how to get the economic advantages of the joint-stock form without the nuisance (as they perceived it) of a speculative secondary market for stocks. Projectors, together with governments and parliaments, tried to devise mechanisms to tame speculation. The Spanish scheme

[179] Anderson, *An historical and chronological deduction*, cit., provides the most complete list of 1720 English projects.

[180] Gelderblom and Jonker, 'Mirroring', cit., Table 1.

[181] On this subject: Yamamoto, 'The speculation that dared not speak its name', paper presented at the WEHC 2015.

mentioned above proposed that transfers of shares should only be made through public notaries.[182] Although we don't have all the details of the Swiss project (June 1721), there is evidence that it was focused on limiting share trading.[183] In Ireland, while it was debating about a charter for a bank, and in order 'to prevent stock jobbing', the parliament considered forbidding transfers of stocks not registered in the company's book.[184]

Other experiments aimed at improving corporate governance, or finding best ways to protect the firms from arbitrary state interventionism – especially in countries with absolute monarchies. Contemporaries clearly thought it was possible to learn from 'other's errors' (as a Dutch periodical put it)[185] in order to create a corporation that might be immune from the problems – in particular a stock market crash – experienced by previous joint-stock companies. Like cooks or alchemists, projectors and rulers were trying to find the right recipe for a superior form of enterprise. The parallel with alchemy is not so far fetched. Alchemical theories strongly influenced the political economy and the financial ideas of the time.[186] It is also telling that many pamphlets, caricatures, songs, and poems about the 1720 bubble referred to the theme of alchemy, thus highlighting that they were somehow connected in the mind of the public.[187]

Conclusion

In summary, the paper has three main findings: a) The number of countries involved in the 1719-22 joint-stock boom was much greater than previously thought; the stock euphoria spread across the continent, demonstrating that European financial markets were largely driven by common forces. b) All over Europe this was a period of intense experimentation with the joint-stock form; yet, the same kind of undertakings were not promoted everywhere: the most advanced economies focused, in particular, on marine insurance, whereas the least developed attempted to catch up with the model of the privileged company for overseas trading and colonization. c) Contrarily to what would generally happen today, self-fulfilling anticipations of market participants generated diachroneity (co-

[182] AHNM, Estado leg. 3188, 415, p. 34.
[183] *Lettres Historiques*, June 1721 p. 622.
[184] Ryder, 'The Bank of Ireland', cit., p. 563.
[185] *Lettres Historiques*, January 1721 p. 113.
[186] See Smith, *Business of alchemy*, 1994; Wennerlind, *Casualties*, cit.
[187] See for instance Defoe, *The French Chimera*, 1720, p. 160-161; Ward, 'A South Sea ballad', 1720.

movement with a time lag) instead of synchronicity, and thus extended the sequence and length of the global bubble.

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Figures

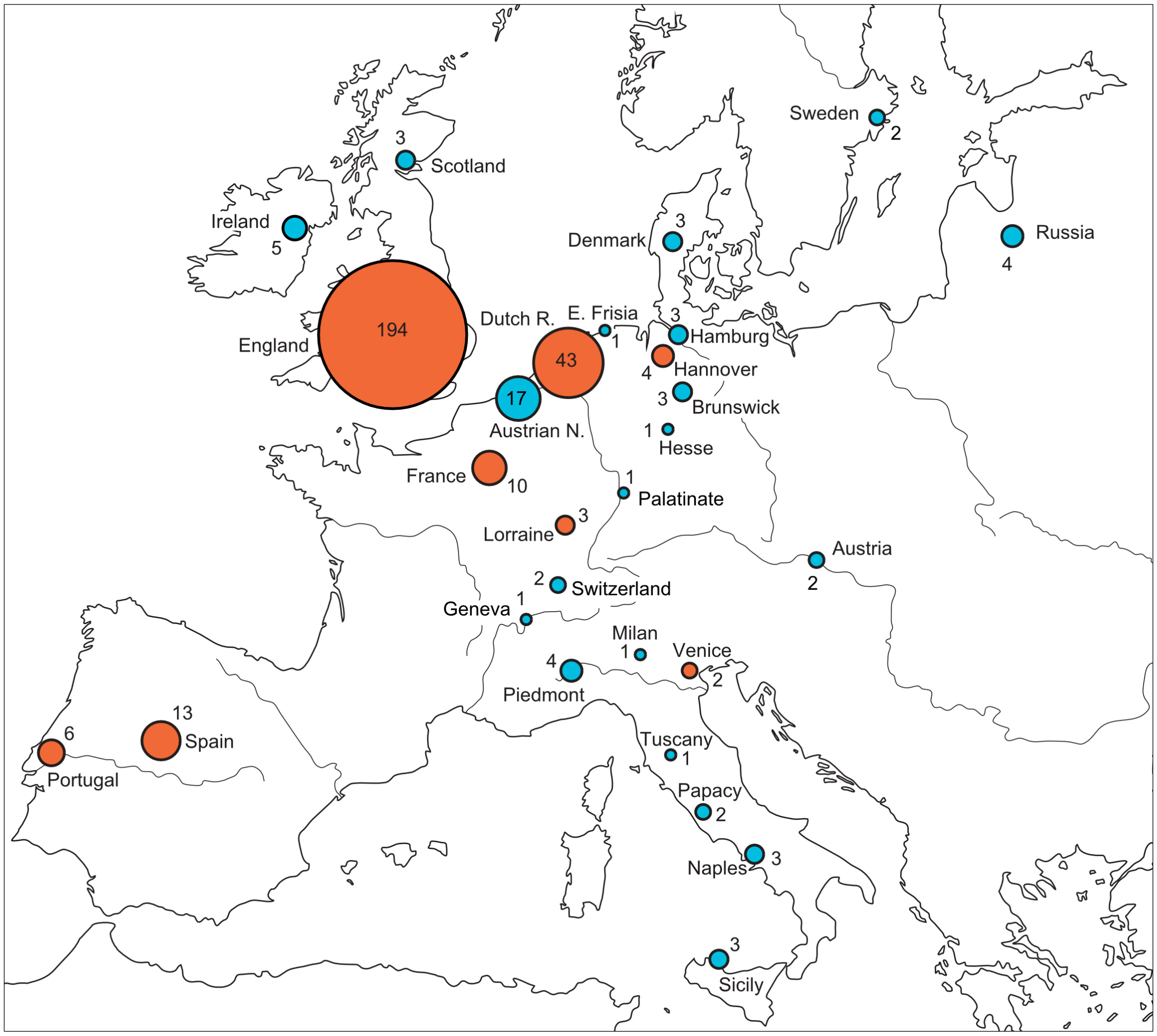

Figure 1. The joint-stock boom (December 1718-October 1722)

The size of each circle represents the number of undertakings projected in that country. Orange circles indicate the countries where at least one scheme gave rise to some form of intense speculation and market boom (group 1 in Table 1). Blue circles symbolize the countries where the schemes did not generate any significant boom (groups 2 and 3 in Table 1).

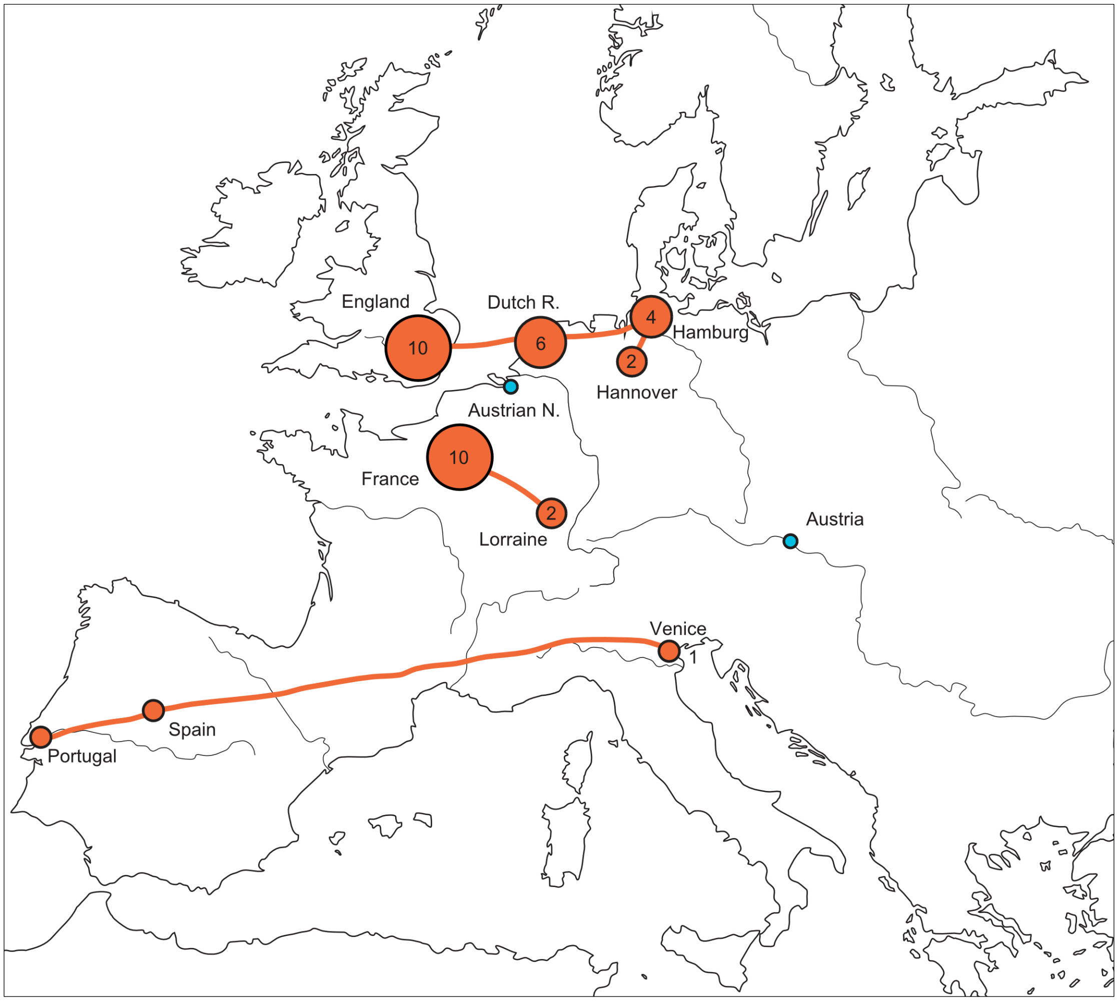

Figure 2. Financial markets bubbles (1719-20)

The size of the orange circles represents the strength of each market boom. The 'bubbles' are connected according to their approximate latitude.

Figure 3. Public debt-to-equity swaps (1719-20)

Figure 4. Marine insurance schemes (1720)

Figure 5. Share of schemes for long-distance and colonial trade higher than 75% (1719-21)

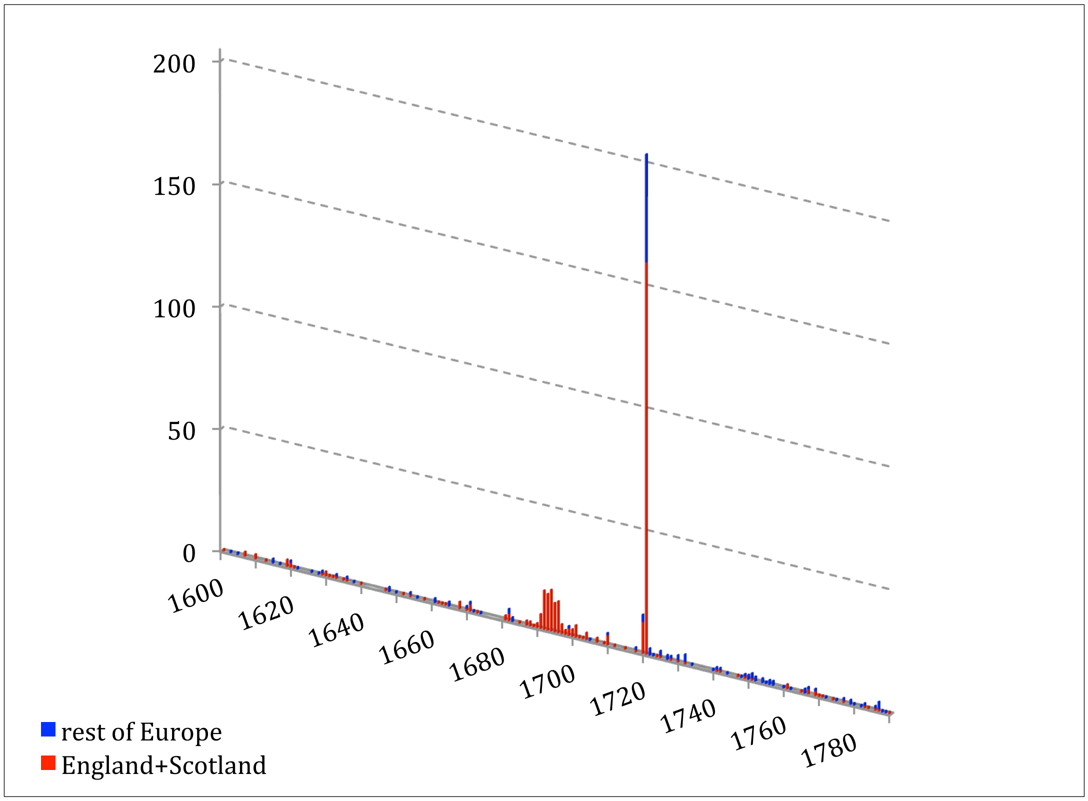

Figure 6. Joint-stock firms floated in Europe (1600-1789). *Stacked graph*

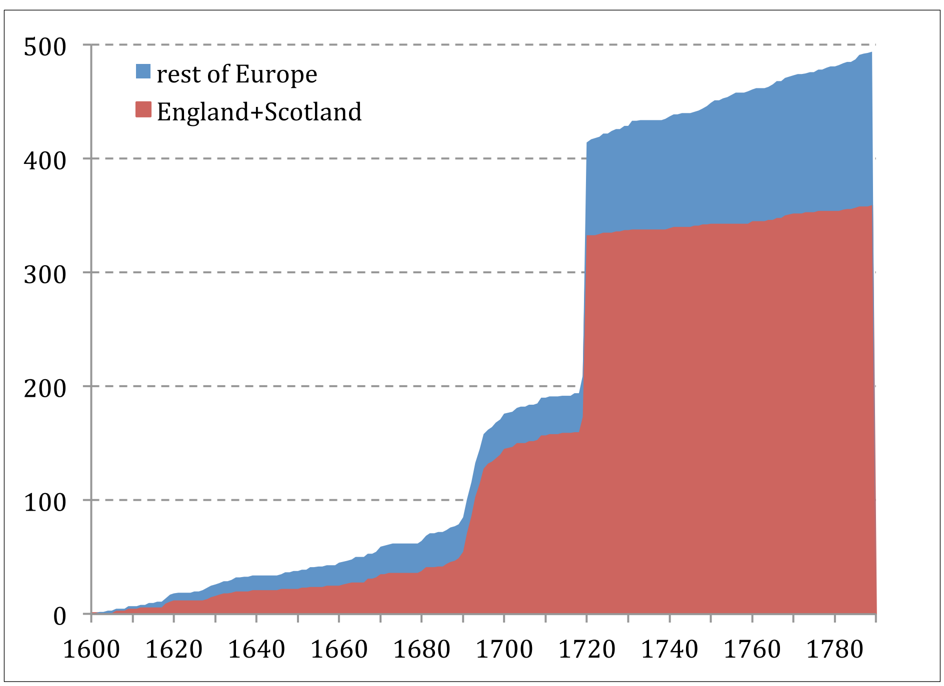

Figure 7. Cumulative number of joint-stock firms floated in Europe (1600-1789). *Stacked graph*

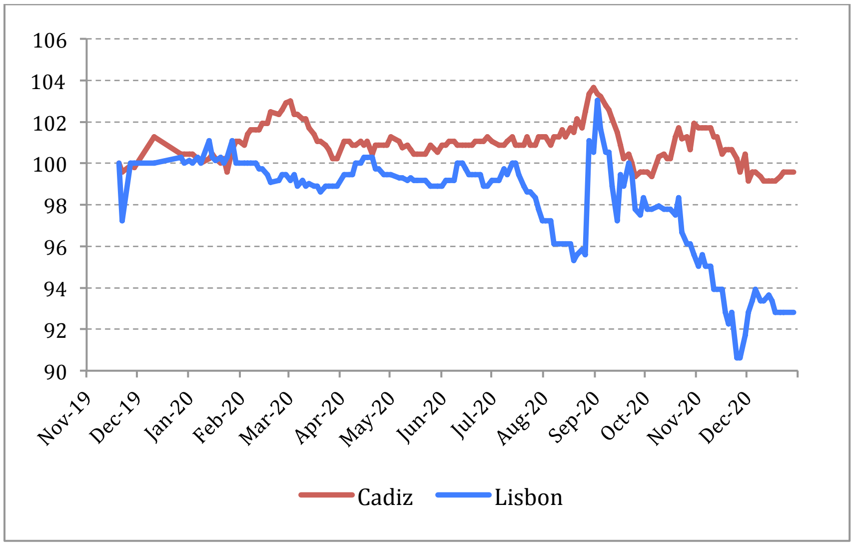

Figure 8. Cadiz and Lisbon exchange rates on Amsterdam (Nov. 1719-Dec. 1720)

Source: *FGR 1720 price database*.

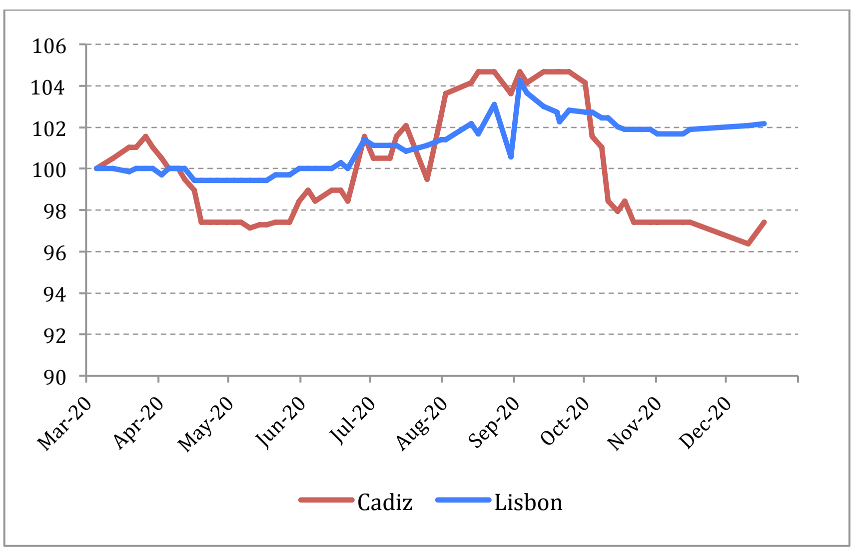

Figure 9. Cadiz and Lisbon exchange rates on London (March-Dec. 1720)

Source: *FGR 1720 price database*.

Appendix I. Schemes for new joint-stock firms in the periphery (1719-22)

SYMBOLS

* Companies publicly floated (whether successfully or not).
© Companies that commenced business.

FL: florins from Brabant
ML: marks lub
P: pieces of eight
RT: reichsthalers

Austria

1. **Imperial Privileged Oriental Company©*[1]

Charter (May 1719), IPO in Vienna (September 1720) for one million RT (~£225,000).
Promoted by the emperor, directed by state officials.
Long-distance trade (Levant), manufacturing. Monopoly rights.

2. *Insurance Bank*[2]

Project (1720). Capital: 373,000 RT (~£84,000).
Italian speaking promoter.
Banking.

[1] *Amsterdamse courant,* 1st October 1720; *Corriere di Vienna*, 28 September, 18 December 1720, 30 April, 7 June, 20 August, 3 and 20 September 1721; *Daily Courant*, 26 December 1719, 29 April 1720; *Daily Journal*, 7 June 1721; *Daily Post*, 28 December 1719, 4 October 1720; *Europäische Fama*, June 1720 p. 456; *Gazeta de Lisboa*, 31 October 1720, 26 June 1721; *Gazette d'Amsterdam*, 4, 8 October 1720, 20 and 27 May 1721; *Gazzetta di Bologna*, 8 October 1720; *La Gazette*, 19 October 1720, 31 May 1721; *Haerlemsche courant*, 1st October, 31 December 1720, 13 May 1721; *Lettres historiques*, October 1720 p. 428, January 1721 p. 114; *Mercure historique*, Septembre 1720 p. 359, October 1720 p. 403; *Post Boy*, 27 July 1721. Huisman (1902), Dickson (1967), Roider (1994), Ingrao (2000).

[2] OEStA, FHKA SUS NL Schirndorf 12, 'Progetto d'un banco d'assicurazione'.

Austrian Netherlands

1. *Bengal Company*[3]

Project (1717-1720).
Promoted by Francesco della Pietà (an Augustinian monk, of Italian origins, based in Bengal); discussed in official circles.
Long-distance trade (Asia).

2. **Ostend East India Company©*[4]

Projects (1719-1721), charter (December 1722), IPO in Antwerp (August 1723). Capital: 6 million FL (~£0.56 million).
Promoted by Ostend and Antwerp merchants, the states of Flanders, the city of Antwerp, with the fluctuating support of the emperor and prince Eugene (Austrian Netherlands' governor).
Long-distance trade (Arabia, Asia, China). In the 1719 plan, trade with the Americas was also considered.[5] Monopoly rights.

3. *Privileged Imperial Company of India and Levant*[6]

Project (October 1719). Capital: 50 million FL (~£4.7 million).
Promoted by two French businessmen, Marsaut and Du Péray; discussed in official circles.
Long-distance trade (Levant, Asia), manufacturing. Monopoly rights.

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[3] OeStA, HHStA LA Belgien DD-A Berichte 9, 28 August 1720, 10 January 1720 (from Bengal).

[4] AAE, CP Pays-Bas Autrichiens 80, c. 203; HaNA, Raadpensionaris Van Hoornbeek, 3.01.20, inv. 367; OeStA, HHStA LA Belgien DD-A Berichte 10, c. 353; Berichte 11, c. 309 (I am grateful to Larry Neal for giving me the transcription of these documents from the Austrian archives). *Amsterdamsche Argus*, July 1720 (n. 7), August 1721 (n. 12); *Applebee Journal*, 30 July 1720; *Avvisi di Napoli*, 23 April 1720; *Daily Journal*, 10 July 1721; *Daily Post*, 19 October 1719, 2, 27 and 30 June, 6 July, 9 September 1720; *Gazette d'Amsterdam*, 10 September 1720, 3 January 1721; *Europäische Fama*, 1721 p. 84; *Gazeta de Lisboa*, 17 July, 7 and 14 August 1721; *Gazette de Leyde*, 3 January, 27 May, 15 July, 5 September, 19 December 1721; *Haerlemsche courant*, 12 September 1720; *La Gazette*, 12 July 1721, 21 June 1721, 27 September, 29 November 1721; *Lettres historiques*, January 1721 p. 113-114, February 1721 p. 232, June 1721 p. 708, July 1721 p. 111; *Post Man*, 18 July 1721; *Saturday's Post*, 10 September 1720; *Weekly Packet,* 3 and 17 June 1721. Harris (1744), vol. I, XXXVI; Huisman (1902).

[5] *La Gazette*, 2 December 1719. The very first project for an Ostend Company (1714), drafted by the Scotsman John Ker, also embraced trade with America: Ker (1726).

[6] NWR, Gesamtarchiv von Landsberg-Velen, 34842, 34857; OeStA, HHStA LA Belgien DD-A Berichte 9, 7 December 1720; Belgien 136A report DD Abteilung B, 8 and 29 March 1720. Huisman (1902).

4. Imperial Bank and Privileged India trading Company[7]

Project (spring-summer 1720). Capital: 12 million FL (~£1.12 million). The company should have been floated in London.
Promoted by Du Péray (see above); discussed in official circles.
Banking, introducing paper money, intra-European trade, long-distance trade (Asia), slave trade, fisheries, manufacturing. Monopoly rights. Debt-for-equity swap. Model: John Law's System.

5. State Bank[8]

Project (March 1720). Capital: 10-12 million FL (~£0.94-1.12 million)
Promoted by the marquis de Prié (Austrian Netherlands' deputy-governor); discussed in official circles.
Banking. Debt-for-equity swap. Model: Bank of Saint George, John Law's System.

6. East India and general trade Company[9]

Project (spring-summer 1720). Capital: 60 million FL (~£5.6 million).
Unknown promoter.
Intra-European trade, long-distance trade (Asia). Monopoly rights (presumably).

7. Trading company[10]

Project (April 1720).
Projected by a merchant from Bruges, Houwens des Gardrins; discussed in official circles.
Intra-European trade (between Flanders and the empire).

8. Levant and East India Company[11]

Project (May 1720); discussed in official circles.
Promoted by an Antwerp-based banker, the baron de Cloots.
Long-distance trade (Levant, Arabia, Asia).

9. Privileged trading Company[12]

Project (likely summer 1720). Capital: 10 million FL (~£0.94 million).

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[7] NWR, Gesamtarchiv von Landsberg-Velen, 34841; OeStA, HHStA LA Belgien DD-A Berichte 9, 20 August 1720. Huisman (1902).
[8] Huisman (1902).
[9] *Ibid*.
[10] *Ibid*.
[11] OeStA, HHStA LA Belgien 136A report DD Abteilung B, 10 May 1720.
[12] Huisman (1902).

Promoted by the Italian banker (established in Antwerp) Proli and the Belgian tax farmer Sotelet.
Long-distance trade (Asia).

10. East India Company[13]

Project (July 1720). The capital should have been large.
Promoted by a syndicate of English businessmen (that proposed to invest 'large sums'); discussed in official circles.
Long-distance trade (Asia).

11. Marine Insurance Company[14]

Project (July 1720-February 1721). Capital: £2 million.
Likely promoted by another syndicate of English businessmen; discussed in official circles.
Marine insurance, banking, introducing paper-currency. Monopoly rights.

12. East India Company[15]

Project (summer 1720-spring 1721). Capital: 12 million FL (~£1.12 million).
Promoted by the Scottish projector John Ker (who had been the first, in 1714, to propose a scheme for an Ostend Company); discussed in official circles.
Long-distance trade (Asia and America), colonization of Tobago, banking, insurance (likely marine), fisheries, manufacturing.

13. East India and China Company[16]

Project (August-October 1720).
Promoted by the Maelcamp brothers from Gand; discussed in official circles.
Long-distance trade (Asia and China). Monopoly rights.

14. Shipping on the Gete and Demer rivers[17]

Project (August 1720).

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[13] OeStA, HHStA LA Belgien DD-A Berichte 9, 20 August 1720. It is likely that *Applebee Journal*, 23 July 1720 mentions Ker's scheme. Ker (1726), p. 164. Huisman (1902).

[14] OeStA, HHStA LA Belgien DD-A Berichte 9, 30 July, 20 August 1720. Ker (1726), p. 164. Huisman (1902).

[15] Ker (1726), p. 164-172. Huisman (1902).

[16] Huisman (1902).

[17] OeStA, HHStA LA Belgien DD-A Berichte 9, 23 April 1720. *Avvisi di Napoli*, 17 September 1720; *Daily Post*, 18 May 1720; *Post Boy*, 31 May 1720. Huisman (1902).

Promoted by a syndicate of businessmen from Liège led by one Massillon; Houwens des Gardrins, see above, was their agent in Vienna; discussed in official circles.
Intra-European trade, river infrastructure.

15. Imperial Company of the German merchants trading in East and West India, Africa, Guinea, China, Japan and South Sea[18]

Project (October 1720-August 1721).
Promoted by the marquis Del Campo, governor of Ostend; discussed in official circles.
Long-distance trade (Asia, China, Africa, America, Pacific), slave trade (presumably). Monopoly rights. Model: Dutch East India Company.

16. Trading Company[19]

Project (November 1720-March 1721).
Promoted by Bauwens (Ostend burgomaster); discussed in official circles.
Long-distance trade (America), colonization in America. Monopoly rights. Model: Dutch East India Company.

17. East India Company[20]

Project (summer-autumn 1721). Capital: 10 million FL (~£0.94 million).
Promoted by John Colebrooke (an English speculator, connected to John Law); discussed in official circles.
Long-distance trade (Asia).

Brunswick

1. Trading and manufacturing company©[21]

Project (1718), charter (June 1720).
Promoted by Johan Gerhard Hopmann, the duke of Brunswick, and a syndicate of British investors.
Intra-European trade, manufacturing. Monopoly rights.

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[18] OeStA, HHStA LA Belgien DD-A Berichte 9, 7 December 1720; Belgien 136A report DD Abteilung B, 7 October 1720. Huisman (1902).

[19] OeStA, HHStA LA Belgien DD-A Berichte 9, 7 December 1720. Huisman (1902).

[20] NWR, Gesamtarchiv von Landsberg-Velen, 34849, 34855. *Evening Post*, 26 October 1721; *Gazette de Leyde*, 29 July, 12 August, 5 September 1721; Ker (1726), p. 173-178.

[21] NSAW, 2 old n. 6542, c. 29-62 (I am grateful to Tina Asmussen for the transcription of these documents, and to Eve Rosenhaft for giving me her notes from these archives); NSAW, 4 old 5 n. 358.

2. Bank of Brunswick[22]

Project (June 1720).
Promoted by a group of English investors, with the support of the duke of Brunswick.
Banking, lottery (only those who had bought tickets in the Brunswick's lottery would have been admitted in the IPO).[23] Model: Bank of England.

3. Bank and trading company[24]

Project (early 1721), charter (June 1721).
Promoted by a syndicate of British investors, with the support of the duke of Brunswick.
Banking, lottery, intra-European trade.

Denmark

1. West & East India and Guinea Company[25]

Project (late August 1720). Capital: 1.75 million ML (~£0.131 million).
Promoted by a 'foreigner of distinction'; discussed in official circles.
Long-distance trade (America, Asia, Africa), slave trade (presumably).

2. Insurance Company[26]

Project (July-October 1720).
Promoted by Hamburg businessmen.
Insurance.

3. Bergen Greenland Company©[27]

Project (1718), charter (1721).
Promoted by the Lutheran minister Hans Egede; supported by the crown. The initial project was for a joint-stock company, but it became a partnership.

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[22] NSAW, 2 old n. 6543, cc. 6-41. *Gazette d'Amsterdam*, 30 August 1720, 24 January 1721; *Mercure historique*, September 1720 p. 275. *The Case of great* (1720).

[23] The Brunswick lottery was advertised in the English press: e.g. *Daily Courant*, 19, 21, 27 January 1720, etc.

[24] NSAW, 4 old 5 n. 358. *Gazette d'Amsterdam*, 3 January 1721; *Journal historique*, March 1721 p. 207; *Lettres historiques*, February 1721 p. 172.

[25] *Amsterdamsche courant*, 5 October 1720; *Daily Courant*, 3 November 1720; *Daily Post*, 23 July 1720; *Evening Post*, 29 September 1720; *Gazeta de Lisboa*, 28 November 1720; *Gazette d'Amsterdam*, 1 October 1720; *Gazette de Leyde*, 8 October 1720; *Haerlemsche courant*, 5 October 1720; *Lettres historiques*, October 1720 p. 417; *Post Boy*, 27 October 1720.

[26] *Daily Post*, 23 July 1720; *Corriere di Vienna*, 19 October 1720; *Mercure historique*, October 1720 p. 397.

[27] Savary des Brûlons (1765), p. 736. Oswalt (1999); Marquardt (2006).

Colonizing Greenland, mining, fisheries, long-distance trade (Greenland). Sought monopoly rights. Note: the enterprise undertook the exploration and colonization of Greenland, but as a private company. It went bankrupt in 1727.

East Frisia

1. **Emden Company©*[28]

Project (September 1720), IPO (October 1720).
Supported by the municipality.
Long-distance trade (Asia), intra-European trade, fisheries, marine insurance, manufacturing.
Note: the enterprise was active in 1721, at least in the regional trade and insurance business.

Geneva

1. *Manufacturing and trading Company*[29]

Project (early 1720).
Promoted by local businessmen.
Regional trade, manufacturing.

Hanover

1. *Hanover Linen Company*[30]

Project (September 1719). Capital: 1.2 million RT (~£270,000).
Proposed by Johann Friedrich von Eckhart, a banker from Hanover.[31]
Manufacturing.

[28] Niedersächsisches Landesarchiv, Aurich, Rep. 4, BIVe, 179, c. 53 sq. (I am grateful to Daniel Menning for giving me the photos of this document). *Europische mercurius*, September 1720 p. 200; *Haerlemsche courant*, 5 and 29 October, 26 November 1720; *Lettres historiques*, January 1721 p. 119. *Het groote Tafereel* (1720), 'De Windhandel of bubbels compagnien', p. 30.
[29] Archives d'État de Genève, Chambre de Commerce, III, c. 262; Sayous (1937).
[30] Niedersächsisches Landesarchiv, Hanover, HA Hanover 93, 1437. I am grateful to Daniel Menning for giving me the photos of this document.
[31] On J. F. von Eckhart: Niedersächsische Landesbibliothek, Hanover, Veröffentlichungen des Leibniz-Archivs, In Bearbeitung befindliche Bände, Reihe I, 25, n. 123, a letter of Otto Mencke to Leibniz (November 1705).

2. **Harburgh Company©*[32]

Project (1716), charter (October 1720). IPO in Hanover (late 1720). Capital: £500,000.
Promoted by J. C. Nicolai, R. Baylis, Sir J. Eyles, C. Billingsley, W. Squire and other London businessmen; supported by the elector of Hanover (i.e. the king of Britain).
Intra-European trade, banking, lottery, fisheries, river and port infrastructure.
Note: there is evidence that the stock was traded; some work was also started on port infrastructure in Harburgh. The firm sought a British charter, but failed to get it.[33]

3. **Harburgh manufacturing Company*[34]

Charter (October 1720), IPO in Hanover (late 1720). Capital: £540,800.
Promoted by lord Barrington and other London businessmen; supported by the elector of Hanover.
Manufacturing.
Note: there is evidence that the shares raised from £15 to £80.[35]

4. **United Harburgh Company©*[36]

Merger of the above two corporations (Hanover charter in 1721). Capital: £1,5 million.
Promoted by lord Barrington, B. Joules, C. Billingsley, and other London businessmen; supported by the elector of Hanover.
Lottery, intra-European trade, manufacturing.
Note: the firm organized a lottery in England as a way to raise capital (November 1722); the House of Commons stopped the lottery, and the whole enterprise faltered in 1723.

Hesse-Kassel

1. **Kassel Kommerzbank©*[37]

Charter (April 1721), IPO in Kassel (probably summer 1721) Capital: 500,000 *guilder* (~£84,000)
Promoted by the landgrave of Hesse.
Intra-European trading, banking, manufacturing. Monopoly rights.

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[32] *London Journal*, 22 October 1720. Barrington (1722). Cummings (1986).
[33] *British Gazetteer*, 23 July 1720.
[34] *Journal of the House of Commons*, vol. 20, p. 119-120. *Amsterdamse courant*, 19 October 1720. Barrington (1722). Cummings (1986).
[35] Barrington (1722), p. 20; Cummings (1986), p. 7.
[36] *Daily Courant*, 7 and 30 November 1722; *London Journal*, 29 December 1722; *Saturday's Post*, 3 November 1722, 2 March 1723. *Journal of the House of Commons*, vol. 20, p. 115-125. *Historical register*, 1723, XXIX, p. 116-135. Barrington (1722); Cummings (1986).
[37] *Europäische Fama*, 1721 p. 667; *Gazette d'Amsterdam*, 16 May 1721; *Lettres historiques*, May 1721 p. 543; *Mercure historique*, June 1721 p. 734. Roth (1858) vol. I, p. 288; Baer (1907), p. 27.

Note: the firm was active until de mid-nineteenth century.

Lorraine

1. **Trading and Finance Company©*[38]

Project (January 1720), charter (August 1720), IPO in Nancy (November 1720). Capital: 3 million *livres* of Lorraine (~£225,000).
Jointly promoted by French projectors and the duke of Lorraine.
Intra-European trade, banking, tax farming, manufacturing, mining, canal (project to join the Saône to the Meuse). Monopoly rights. Debt-for-equity swap. Model: John Law's System.
Note: the IPO was a success: fuelled by strong inflows of foreign capital, shares surged by 40% in a few days. Moreover, the Lorraine stock did not immediately collapse after its peak (14 November): it was still at 20% above par mid-December, and it did not fall under par until the end of 1721.[39] The enterprise was active until March 1722, when the duke liquidated it.[40]

2. *Trading Company (second project)*[41]

Project (January 1720).
French promoter; discussed in official circles.
Intra-European trade, banking, manufacturing?
Note: from the report sent by a French diplomat in Nancy, it is clear that there were at least three French schemes for a Lorraine Company – and possibly more.

3. *Trading Company (third project)*[42]

Project (January 1720).
French promoter; discussed in official circles.
Intra-European trade, banking, manufacturing?

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[38] AAE, CP Lorraine 107, c. 19, 182, 190, 211, 224. *Daily Post*, 19 September, 20 October 1720; *Corriere di Vienna*, 12 October 1720; *Gazeta de Lisboa*, 7 November 1720; *Gazette d'Amsterdam*, 24 September, 1st and 22 October, 22 November 1720, 7 and 24 January 1721; *Lettres historiques*, September 1720 p. 345, October 1720 p. 603, January 1721 p. 90, September 1721 p. 323; *Mercure historique*, November 1720 p. 563; *Post Boy*, 17 September 1720. *Recueil des edits* (1733).
[39] For the prices of the Lorraine Company see: AAE, CP Lorraine 107, c. 211; *Gazeta de Lisboa*, 30 January, 24 April 1721; *Gazette d'Amsterdam*, 25 October, 12 and 15 November, 31 December 1720; *Journal historique*, May 1721, December 1721.
[40] Durival (1774), p. 234.
[41] AAE, CP Lorraine 107, c. 19.
[42] *Ibid.*

Milan

1. **Casa di San Giuseppe©*[43]

Project (January 1720), IPO in Milan (1720). Capital: 4 million *lire* (~£171,000).
Promoted by Giuseppe Ronzio and the count Borromeo Arese; supported by the state.
Intra-European trade, manufacturing, canal (from Milan to the Pò). Monopoly rights.
Note: the company was floated but there is no evidence that its shares were actively traded; it began manufacturing, but it encountered fierce opposition from the local guilds, and it closed down around 1722.

Naples

1. *Levant and East India Privileged trading Company*[44]

Project (1720).
Unknown projector.
Long-distance trade (Asia through Egypt and the Red Sea), manufacturing. Monopoly rights. Model: English and Dutch East India Companies.

2. *East & West India, Levant, and Europe trading and shipping Company*[45]

Project (1720).
Promoted by a Neapolitan projector, Domenico Rocca.
Long-distance trade (America, Levant, Asia), intra-European trade, manufacturing. Monopoly rights.
Note: the company was part of a larger plan to connect and develop the economies of the Habsburg possessions in Italy (Naples, Sicily, and Milan).

3. *Trading Company*[46]

Project (April 1721).

[43] Archivio di Stato di Milano, Commercio parte antica, 2, 'Succinta dimostrazione […] che può tenere la Compagnia d'alcuni interessati'. Ronzio (1720). Caizzi (1968).
[44] OeStA/HHStA Italien Spanischer Rat Neapel, Collectanea, 52, 4, 'Progetto di nuovo commercio delli regni di Napoli e Sicilia'. Di Vittorio (1969). I could not find in the Archivio di Stato di Napoli any document related to the any of the three Neapolitan schemes.
[45] Di Vittorio (1969).
[46] The original document has been lost since Di Vittorio (1969) studied it.

Promoted by Von Fleischmann (the economic adviser to the emperor); discussed among official circles.
Long-distance trade (Levant), intra-European trade, manufacturing, shipping. Monopoly rights.

Palatinate

1. *Mannheim Company*[47]

Project (November 1720).
Unknown projectors.
Intra-European trade.

Papal States

1. *Rome trade and insurance Company*[48]

Project (September 1720).
Promoted by local projectors; rejected by the government.
Insurance, intra-European trade.

2. *Bologna trading Company*[49]

Project (October 1722). Capital: one million *lire* (~£43,000).
Promoted by a large group of local businessmen; rejected by the government.
Manufacturing, intra-European trade, financial services.

Piedmont-Sardinia

1. *Royal Bank*[50]

Project (early 1720).
Unknown French-Speaking projector; discussed among official circles.
Banking, introducing paper money, state assets management, long-distance trade, manufacturing. Debt-for-equity swap. Model: John Law's System and Venetian *Banco Giro*.

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47 *Amsterdamse courant*, 23 November 1720; *Haerlemsche courant*, 23 November 1720.

48 *Amsterdamse courant*, 26 October, 9 November 1720; *Amsterdamsche Argus*, November 1720 (n. 24), 4 December 1720 (n. 26).

49 Muzzi, *Annali della città di Bologna*, 1846, vol. 8, p. 397, publishes the full text of the project.

50 AST, Finanza, I a., Lotterie, etc., M.1 n. 7. Although the scheme does not explicitly mention the creation of a corporation, there is little doubt that the projector had that in mind once the crown would have accepted his banking scheme. The reference to 'overseas trade' is a further confirmation.

2. Deposit Bank and Company of the Seven[51]

Project (February 1721).
Unknown projector; approved by the government (provided some amendments to the scheme).
Banking, intra-European trade, manufacturing, religious charity.
Note: in spite of the government's approval, the scheme did not take off.

3. Turin Deposit and Loan Bank[52]

Project (March 1721). Capital: 600,000 *doppie piemontesi* (~£380,000).
Promoted by two Turin bankers, Boggetti and Myna; approved by the government (provided some amendments to the scheme, including a threefold increase of the projected capital).
Banking.
Note: in spite of the government's approval, the scheme did not take off.

Portugal

1. Brazil Company (first project)[53]

Project (early 1720).
Promoted by the government. Rejected mostly because of the Inquisition's opposition.
Long-distance trade (Brazil). Monopoly rights. Debt-for-equity swap. Model: John Law System.
Note: count of Ribeira, the Portuguese ambassador in Paris, sent a scheme to Lisbon. The government also invited John Lambert (a director of the South Sea Company) to come to Lisbon to advise on the project; he declined the invitation.

2. Brazil Company (second project)[54]

Project (summer 1720). Capital: £12-13 million (the capital would have been raised in Portuguese currency).
Promoted by the government. Rejected mostly because of the Inquisition's opposition.
Long-distance trade (Brazil). Monopoly rights. Debt-for-equity swap. Model: South Sea Company.
Note: the Portuguese ambassador in London sent the project to Lisbon after several consultations with English businessmen, including John Lambert (see above).

[51] AST, Consiglio di Stato, Consiglio di finanze 1721-22, c. 23-24.
[52] AST, Consiglio di Stato, Consiglio di finanze 1721-22, c. 36 and 39.
[53] BL, Add. ms. 31140, c. 17 (quoted by Carswell, 1960); NA, SP 89/28, c. 25, 124.
[54] NA, SP 89/28, c. 101, 124, 128. *Gazette d'Amsterdam*, 3 September, 25 October 1720.

3. *Bank & Company for Brazil, Africa and East India (first project)*[55]

Project (summer-autumn 1720). Capital: £3-4 million (the capital would have been raised in Portuguese currency).
Promoted by London businessmen together with the marquis Abrantes and other Portuguese ministers.
Long-distance trade (Brazil, Africa, Asia), slave trade, banking, tax faming, mining. Monopoly rights.
Note: the company would have lent 5 million cruzados to the crown at 3% interest.[56]

4. *Bank and Company for Brazil, Africa and East India (second project)*[57]

Project (summer 1720-spring 1721). Capital: 1-2 million *moeda* (~£1.3-2.6 million).
Promoted by the count of Ribeira, Portuguese ambassador to France; supported by part of the government (opposition of the secretary of state).
Long-distance trade (Brazil, Africa, Asia), slave trade, banking. Monopoly rights.

5. *Angola, Macao, Maranhão Company*[58]

Project (end 1720-early 1721). Capital: 20-30 million *cruzados* (~£2.2-3.3 million).
Projected by local entrepreneurs and ministers; supported by the crown.
Long-distance trade (Asia, Africa, Atlantic), slave trade. Monopoly rights.

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[55] AGS, Estado leg. 7107, Portugal, 20 August, 3 September, 17 September 1720; ASVA, Secreteria di Stato, Portogallo 75, c. 426, 431; BL, Add ms. 31140, 3 September 1720; CA, Coutts Letter Book O 14, p. 329 (I am grateful to Larry Neal for giving me the transcription of this document); NA, SP 89/28, c. 124, 128. *Applebee's Journal*, 3 September 1720; *Avvisi di Napoli*, 1st October 1720; *Corriere di Vienna*, 5 October 1720; *Europäische Fama*, 1720 p. 847; *Gazette d'Amsterdam*, 6 September, 19 November 1720; *Gazette de Leyde*, 6 and 26 September 1720; *Gazzetta di Bologna*, 24 September 1720; *Leydse courant*, 6 September 1720; *London Journal*, 13 August 1720; *Mercure historique*, September 1720 p. 357, November 1720 p. 598; *Nouveau Mercure*, October 1720 p. 139; *Post Boy*, 15 September 1720; *Saturday's Post*, 3, 10 September 1720.

[56] *Gazette d'Amsterdam*, 19 November 1720; *Mercure historique*, November 1720 p. 598.

[57] ASVA, Secreteria di Stato, Portogallo 75, c. 531; NA, SP 89/28, c. 130, 137, 142, 145; *ibid.*, SP 89/29, c. 12, 14. *Gazette de Leyde*, 29 November 1720; *La Gazette*, 7 September 1720; *Lettres historiques*, October 1720 p. 500; *Nouveau Mercure*, November 1720 p. 181.

[58] *Corriere di Vienna*, April 1721; *Daily Post*, 30 August 1720; *Gazette de Leyde*, 14 January 1721; *Gazette d'Amsterdam*, 14 January 1721; *Haerlemsche courant*, 21 and 28 September, 22 October, 10 December 1720; *Lettres historiques*, December 1720 p 731, January 1721 p. 111, February 1721 p. 232; *Post Boy*, 28 March 1721; *Post Man*, 12 November 1720.

6. Mozambique and Monomatapa Company[59]

Project (spring 1721).
Promoted by local entrepreneurs and ministers.
Mining, long-distance trade (Africa), slave trade. Monopoly rights.

Russia

1. Banking and Trading Company[60]

Project (June 1720). Capital: 20 million rubles (~£4.2 million) with the possibility to increase it.
Proposed by London-based prince Ščerbatov; discussed in official circles.
Banking, long-distance trade (China, Persia, Italy, Spain, Portugal), tax farming, fisheries. Monopoly rights. Model: John Law's System.

2. Imperial Trading Company for Persia[61]

Project (second half of 1720).
Projected by the Peter the Great who invited (January 1721) John Law to Russia to direct it.
Long-distance trade (Persia), mining, manufacturing, colonizing the Caspian area. Monopoly rights.

3. Company for the White Sea fisheries[62]

Project (November 1720).
Unknown projector; discussed among official circles.
Fisheries.

*4. *Oriental Company*[63]

Project (possibly as early as 1719-1720). Capital: 400,000 rubles (~£84,000). IPO Moscow and Saint Petersburg (probably 1721).
Projected by Russian and foreign merchants, supported by prince Menshikov (close friend of Peter the Great, repeatedly involved in corruption scandals).
Long-distance trade (China and Persia).

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[59] *Daily Post*, 31 May 1721; *Corriere di Vienna*, 18 June, 16 August 1721; *Gazette d'Amsterdam*, 3 June 1721; *Gazette de Leyde*, 5 August 1721; *Mercure historique*, June 1721 p. 780.
[60] Troickij (1970).
[61] *Ibid*.
[62] AAE, B I 988, c. 84-85. The French consul in St. Petersburg writes about this scheme.
[63] *Daily Courant*, 22 February, 24 March 1722; *Daily Journal*, 27 February 1722; *Daily Post*, 23 February, 28 March 1722; *Evening Post*, 24 February 1722; *Lettres historiques*, Mars 1722 p. 309.

Note: a Russian diplomatic mission went to Beijing in 1719 to negotiate the reopening of free trade with China.[64] Negotiation failed (late 1721) resulting in the demise of the company.

Sicily

1. *Ostend-based trading Company*[65]

Project (September 1720).
Promoted by Ignazio Perlongo (a senior official of the Sicilian government); discussed by the imperial government.
Long-distance trade (America, Asia), intra-European trade, manufacturing. Monopoly rights.
Note: the company, mostly financed with Sicilian capital, would have been based in Ostend (part of the Habsburg empire, like Sicily); from there it would have managed the export of Sicilian goods and the import in Sicily of colonial commodities and products from northern Europe.

2. *Trieste-based trading Company*[66]

Project (September 1720).
Promoted by Ignazio Perlongo (see above); discussed by the imperial government.
Long-distance trade (Levant, Africa), intra-European trade, manufacturing. Monopoly rights.
Note: the enterprise, mostly financed with Sicilian capital, would have been based in the free ports of Trieste and Fiume (part of the Habsburg empire, like Sicily); from there it would have managed the export of Sicilian goods and the import in Sicily of products from the Levant and Africa.

3. *Messina Levant Company*[67]

Project (late 1721).
Projected by Jewish merchants from Hamburg; support from the emperor, but opposition from Sicilian authorities.
Long-distance trade (Levant), intra-European trade.
Note: according to Venetian intelligence, other Jewish merchants, in particular from Livorno and Genoa, were supposed to participate in the project.

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[64] Bell (1788); Sladkovskii (1966).
[65] Gallo, 'La relazione *Sul commercio in Sicilia*', 1995.
[66] *Ibid*.
[67] ASV, V Savi, Decreti 71, 17 January 1721.

Spain

1. *West India Company*[68]

Project (1718-1719)

Projected by Giulio Alberoni (Spain's principal minister).

Long-distance trade (America), manufacturing. Model: English and Dutch East India Companies.

Note: the company would have been based in Cadiz. The war of the Quadruple Alliance and Alberoni's subsequent fall and exile prevented him from implementing the project.

2. *East India Company*[69]

Project (1718-1719)

Projected by Giulio Alberoni (see above).

Long-distance trade (Pacific and East Asia).

Note: the company would have been based in Cadiz. The war of the Quadruple Alliance and Alberoni's subsequent fall and exile prevented him from implementing the project.

3. *South Sea and Philippines Company*[70]

Project (spring 1720).

Projected by entrepreneurs from Vigo, Bilbao, and Cadiz, together with English, Dutch, and Jewish investors; rejected by the crown.

Long-distance trade (America, Pacific, Asia). Monopoly rights.

4. *Trading Company*[71]

Project (March 1720).

Proposed by Rudolfo Zaf (possibly a Swiss projector).

Long-distance trade (America), intra-European trade.

5. *Trade and Asiento Company*[72]

Project (April 1720).

Proposed by abbot Giovan Battista Bielato (Spain's agent in Genoa).

Long-distance trade (America, Africa, Asia), intra-European trade, slave trade.

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[68] *Lettre d'un prélat* (pub. in *Gazette d'Amsterdam*, 13 March 1722); Bignami (1833), p. 55; Bersani (1861), p. 168.

[69] *Ibid*.

[70] AHNM, Estado leg. 3188, n. 417 (s.d. but very likely the same project than the one mentioned in the press); *Corriere di Vienna*, 2 October 1720; *Daily Post*, 11 May, 27 June 1720; *Gazzetta di Bologna*, 18 June 1720.

[71] AGS, Estado leg. 7842, 17 March 1720. Although Zaf's letter does not explicitly mention the creation of a joint-stock company, there is a strong presumption that he had that in mind.

[72] AGS, Estado leg. 7843, 16 April 1720.

Note: the firm would have been based in Madrid. Bielato's idea was to form a company in order to increase Spanish trade with the rest of Europe and with its colonies, but without any monopoly besides slave trade to America (*asiento*).

6. *Cadiz Company for the exclusive trade to Spanish America, the exclusive Spanish wool & iron trade, and for the Mediterranean and North Sea trade*[73]

Project (June 1720). Capital: 50 million P. (~£10.7 million).
Proposed by Louis le Maingre de Bouciquault (Spanish agent in Holland) on behalf of a group of Dutch investors; rejected by the crown.
Long-distance trade (America), intra-European trade, manufacturing, mining. Monopoly rights.

7. *General Trading Company of Spain*[74]

Project (July 1720).
Proposed by a different group of Dutch investors; rejected by the crown.
Long-distance trade (America) and possibly other destinations (Asia, Europe). Monopoly rights.
Note: the Dutch investors submitted their scheme directly to the Spanish ambassador in the United Provinces.

8. *West and East India Company*[75]

Project (July 1720).
Promoted by Antonio Sartine (a French financier in the service of the king of Spain)[76] together with Swiss and other foreign and Spanish investors; rejected by the crown.
Long-distance trade (America, Asia) and possibly also banking. Monopoly rights.

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[73] AGS, Estado leg. 6192, 15 June, 12 August 1720; NA, SP 94/89, 22 and 29 July 1720. *Amsterdamse courant*, 24 August 1720; *Corriere di Vienna*, 31 July, 2 October 1720; *Gazette d'Amsterdam*, 12 and 16 July, 18 October 1720; *Gazette de Leyde*, 12 July 1720; *Flying Post*, 30 August 1720; *Post Boy*, 9 July 1720.

[74] AGS, Estado leg. 6192, 25 July and 12 August 1720; NA, SP 94/89, 22 and 29 July. *Corriere di Vienna*, 2 October 1720; *Flying Post*, 30 August 1720.

[75] NA, SP 94/89, 22 July: the British ambassador in Madrid reports that 'several plans' have been offered to the king of Spain for 'erecting trading companies' that would have a monopoly on trade with Spanish America. The term 'several' implies that there were more than two, but probably not many more. I opt therefore for a conservative hypothesis of three plans. The ambassador describes in detail only one of these projects (n. 6 here). The scheme mentioned by the Spanish ambassador in The Hague (AGS, Estado leg. 6192) corresponds to projects n. 7. The third project (n. 8) would correspond to the scheme mentioned in an anonymous report written by a spy in the service of Britain: NA, SP 101/121, s.d. It possibly also corresponds to the banking scheme reported in the *Gazzetta di Bologna*, 23 July 1720 (both the report and the *Gazzetta* mention the role of Swiss investors).

[76] On Sartine, see Torres Sánchez (2015), p. 42.

9. Spanish wool Company[77]

Project (October 1720).
Promoted by French investors; rejected by the crown.
Intra-European and long-distance trade. Monopoly rights.

10. Bank and Spanish America Trading Company (first project)[78]

Project (October 1720). Capital: 400 million P. (~£86 million).
Promoted by a syndicate of French investors; rejected by the crown.
Long-distance trade (America), intra-European trade, banking. Monopoly rights.
Note: the company would have paid 30 million P. to the crown in exchange for the charter.

11. Bank and Spanish America Trading Company (second project)[79]

Project (October 1720).
Promoted by another syndicate of French investors; rejected by the crown.
Long-distance trade (America), intra-European trade, banking. Monopoly rights.

12. West & East India, and Levant Company[80]

Project (second half of 1720). Capital: 50 million P. (~£10.7 million).
Unknown projector, possibly Louis le Maingre de Bouciquault (see above).
Long-distance trade (America, Asia, Levant), slave trade, tax farming, manufacturing, fisheries. Monopoly rights. Debt-for-equity swap. Model: John Law system.
Note: the company would have paid 4 million P. per year to the crown (~£0.85 million).

13. Trading Company[81]

Project (summer 1721). Capital: 24-30 million P. (~£6.4-5.1 million).
Proposed by a Dutch projector; discussed among official circles.
Long-distance trade (America and possibly other Spanish dominions), intra-European trade.

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[77] NA, SP 94/90, 21 October 1720.
[78] NA, SP 94/90, 7 and 28 October 1720. See also *Mercurii relation*, 9 November 1720.
[79] NA, SP 94/90, 7 October 1720.
[80] AHNM, Estado leg. 3188, n. 415 (s.d. but clearly 1720). The style of the text, together with several other clues, suggest that Bouciquault was the author of this scheme.
[81] *Corriere di Vienna*, 27 August 1721; *Gazeta de Lisboa*, 23 October 1721; *Gazzetta di Bologna*, 19 August 1721.

Sweden

1. *Madagascar Company*[82]

Project (1718?-1721).
Promoted by William Morgan together with other associates; supported by the crown.
Long-distance trade (Africa and Asia).

2. *China Company*[83]

Project (1721).
Unknown projector; possibly supported by the crown, certainly discussed among official circles.
Long-distance trade (Asia).

Switzerland

1. *Bern Trading Company*[84]

Project (March 1720).
Promoted by a projector from the Grisons (an independent confederation allied to Switzerland); rejected by the government.
Intra-European trade. Monopoly rights.

2. *General Trading Company*[85]

Project (March 1721).
Unknown projector; discussed among official circles.
Manufacturing, intra-European trade.

[82] Riksarkivet (Stockholm), Miscellanea 757, 16, c, 1, 192a, 20 May 1720 and 7 June 1721; *ibid.*, 192b, 12 May 1723. I am grateful to Daniel Menning for advising me to consult these two folders, and providing me with the exact references.

[83] Riksarkivet (Stockholm), Miscellanea 757, 16, c, 1, 192a, 7 June 1721.

[84] *Gazette d'Amsterdam*, 28 May, 18 and 25 June, 9 August 1720; *Gazeta de Lisboa*, 12 September 1720; *Haerlemsche courant*, 30 May, 27 June, 10 August 1720.

[85] *Amsterdamsche Argus*, 2 April 1721 (n. 43); *Daily Courant*, 7 March 1721; *Daily Journal*, 7 March, 30 May 1721; *Lettres historiques*, April 1721 p. 411, June 1721 p. 622; *Mercure historique*, June 1721 p. 734.

Tuscany

1. *Company*[86]

Project (May 1720).
Promoted by Antonio Prandone, a Sicilian projector arrived in Livorno from London.
Note: we don't know what should have been the firm's business, but we know that it was supposed to increase the state's wealth.

Venice

1. *Levant Company*[87]

Project (November 1719-February 1720).
Promoted by Venetian businessmen with the support of the government.
Long-distance trade (Levant).
Note: the project envisaged inviting foreign investors, and in particular foreign companies, to buy shares.

2. **Trade Company©*[88]

Project (February 1719), charter (July 1719), IPO in Venice oversubscribed (September 1720). Capital: 480,000 ducat (~£187,000).
Projected by a group of Venetian entrepreneurs, actively supported by the government.
Manufacturing and intra-European trade.
Note: the firm started operations on a small scale in 1719. Due to strong opposition from local guilds, it did not manage to significantly increase its production. Yet, the company survived at least until 1735.[89]

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[86] Archivio di Stato di Firenze, Mediceo del principato, Lettere di particolari 1140, c. 317. We don't have the details of the scheme, yet it is highly probable that it included the creation of a joint-stock company.

[87] AAE, CP Milan 23, c. 50. *Journal historique*, January 1720 p. 49; *La Gazette*, 25 November and 2 December 1719; *Mercure historique*, December 1719 p. 614.

[88] ASV, V Savi, scritture dep. com. 213, c. 27-32, 146, 196; ASV, V Savi, decreti 71, 24 January 1721 [1722], 18 April 1722; AST, Finanza, I a., Lotteria, etc., m. 1; AST, Materie di commercio 3, m. 1, n. 36; Biblioteca Casanatense, Msc. 2234,4. 'Relazione della Compagnia di Nuova Istituzione'. *Amsterdamsche Argus*, , October 1720 p. 134 (n. 17); *Applebee Journal*, 10 September 1720; *Daily Courant*, 15 September 1720; *Corriere di Vienna*, 11 December 1720; *Daily Post*, 8 October 1720; *Gazeta de Lisboa*, 7 November 1720; *Gazette d'Amsterdam*, 13 September 1720; *Gazette de Leyde*, 13 September 1720; *Gazzetta di Bologna*, 3 September 1720; *La Gazette*, 21 September, 5 and 12 October 1720; *Lettres historiques*, October 1720 p. 407; *Mercure historique*, September 1720 p. 262; *Post Boy*, 6 October 1720. Caizzi (1965) p. 46.

[89] A Livorno-based Jewish partnership offered its services to the firm in 1735: Trivellato (2009), p. 206.

Appendix II. Schemes not taken into account in the survey because the archival evidence is not solid enough (see *supra*)

Austria

Debt-for-equity schemes[1]

Project (May 1720).
According to an English newspaper, the emperor had rejected several schemes for 'discharging the publick debts'.
Note: the information is plausible (see *supra*), yet I could not find any other source mentioning it.

France

Bank[2]

Project (early 1721)
Note: there is not enough evidence that this enterprise would have been a joint-stock.

Portugal

Insurance firm[3]

Project (December 1720).
Note: I could not find any other source mentioning this project.

Sweden

Insurance firm[4]

Project (1720).
Note: Amsinck mention this scheme without giving a reference. Daniel Menning and I enquired in the Swedish archives, but we did not find any evidence about it.

Venice

Insurance firm[5]

Project (August 1720).
Note: I could not find any other source mentioning this project.

[1] *Weekly Packet*, 4 June 1720.
[2] Bergasse and Rambert (1954), IV, p. 487.
[3] *Gazette de Leyde*, 14 January 1721 (supplement).
[4] Amsinck (1894), p. 477.
[5] *Gazette de Leyde*, 13 September 1720.