

THE RISE OF A FINANCIAL PRESS: LONDON AND AMSTERDAM, 1681-1796

(abstract)

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This paper gives a detailed history of the rise of the official price list of the London Stock Exchange dating from the first known publication of stock prices in a periodical in 1679 to the appearance of John Castaing's *Course of the Exchange* until the first known appearance of a similar stock list for the Amsterdam Beurs in 1796. In tracing this history a paradox is found. The more information that is produced in a form that can be preserved and used by researchers, the more of it that is thrown away; while the more quickly information is produced the more rapidly it is disposed.

There is a logic to this paradox that depends upon the costs and benefits of information to different users. Users who are insiders demand the latest information and consider the widest range of possibilities. For them, specialized and speedy information is valuable and their needs can be met by a variety of fairly expensive services. Users who are "outsiders" are content with older information if it is reliable and they are concerned only

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about making occasional trades. They are not willing to pay nearly as much for this information and they will stay with the most reliable source. Their needs can be met usually by one firm, but it is likely to be a natural monopoly. I use this logic to explore the rise of printed records of prices of financial assets. The form and speed with which information on prices is transmitted for any financial market at any time in history tells us something about the nature of the market of the period. It is also informative for business historians who are interested in the profits to be made from providing services to the rising financial markets as well as in the profits to be made on those financial markets.

I have two motives here. One is to use the techniques of the business historian to understand what profit opportunities were available in providing printed and public, as opposed to handwritten and confidential, information on financial markets and to explain how these opportunities changed over time. The other motive is to deduce the existence of printed data sources useful for the economic historian of the eighteenth century and to speculate where these might be found.

The development of a publicly available, printed price list for London stocks began with the inclusion of stock prices in a number of competing commodity price currents published in the late 17th century. It was advanced considerably by John Houghton in the last decade of the 17th century, who also printed engagingly straightforward explanations of how he hoped to make money from his enterprise. These give useful insights into the market available for Castaing's price list when it first appears in 1697.

Castaing's unique enterprise arose as a family firm which continued for nearly a century to provide a monopoly service to the financial market of London. The stunning neglect of Castaing's invaluable source of data by economic and financial historians is likely because scholars, not finding the bound volumes listed in library catalogs, or mention of the price lists made in contemporary sources, assumed they did not exist. "Old news is no news" in tracking stock prices and there was no reason for traders, particularly active traders, to maintain files of out-of date prices.

Bound versions of the twice-weekly price lists for the entire year were only made by the publishers as an advertising device to meet potential competitors. But once the existence of long runs of these periodicals is recognized, and scholars begin to search for them systematically, they turn up in surprising places -- provincial libraries in the United Kingdom and libraries overseas.

A similar history may remain to be told for an Amsterdam price list of securities. A logical case for the existence of such a list is developed on the basis of the form of Castaing's list. Starting in 1723, for example, the Dutch newspaper, *Amsterdamsche Courant* which appeared three times a week, began to carry occasional prices from the Amsterdam Beurs. This was complementary to the practice it had started several years earlier of including prices from the London Stock Exchange in its reports from London. The London prices were given in the dispatch from the correspondant but were always dated on Tuesdays and Fridays when Castaing's list appeared. The Amsterdam prices occasionally appeared in each issue of the *Courant* which suggests the possibility of a daily printed price list. Single issues I have found of the *Delftsche* and *Leydse Courants* give even more detail on security prices in the Amsterdam Beurs which reinforces my perception that a printed source was available.

The likely locations where this daily price list may have been preserved are then suggested, starting with provincial cities in the United Provinces (e.g., Delft, Leyden, Rotterdam) and moving out to cities abroad with large Dutch populations (e.g., London, Stockholm, Paris) and ending with overseas colonial possessions of the Dutch (e.g., Djakarta, Capetown, Curacao, and most important, New York). I solicit the help of all interested scholars in finding these valuable source materials, wherever they may be.

AN EVOLVING NATIONAL MARKET