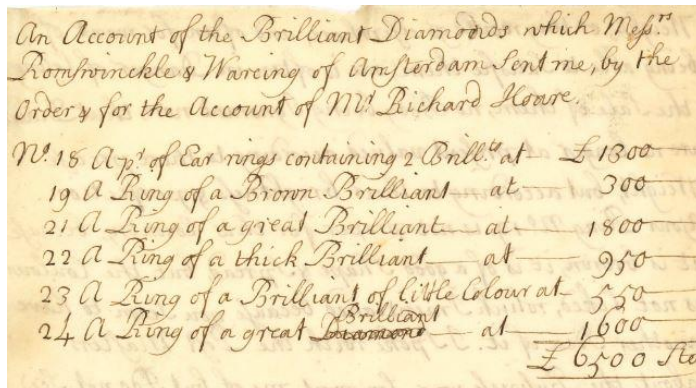


Manuscript of the Month October 2013

Account of diamonds sent to Philip Masson at Paris, 1713



In 1912, builders working in the heart of London made a remarkable discovery: some 500 gemstones and pieces of jewellery, dating from the late 1500s and early 1600s, buried in a cellar. Now, a century later, the Cheapside Hoard is set to dazzle once more as it goes on display at the Museum of London. Yet it is intriguing to think that goldsmith/banker Richard Hoare lived and worked on Cheapside for twenty five years (1665-90) without the

least notion that such a glorious treasure trove lay hidden so close by.

Jewellery formed an integral part of Richard's business from the outset, as this letter to Jane Meyrick of Anglesey, written in 1706, illustrates: *I have...taken care to have your watch & case mended and sett to rights, and the two lockets to be made according to your desire. As to the two Diamond Rings that are to be now made according to ye newest fashion there will be a necessity of changing one or two of your diamonds and adding two more...then you will have two Rose Rings...as will be genteele & fashionable.* But the Money Lent ledgers show that jewellery also played an important role in Richard's banking business. In 1684, for example, the Duchess of Cleveland, Charles II's most notorious mistress and a woman renowned for her extravagance, borrowed £308-6-8 against four diamond rings. A decade later, Lady Charlotte De Roy borrowed £150 against a diamond ring and a sword hilt, while in 1703 the Earl of Orford secured £1,500 (c.£208K today) against an assortment of jewels.

Although Richard bought and sold a variety of gemstones – rubies, sapphires, emeralds, turquoises and pearls – diamonds accounted for a sizeable proportion of his stock. And since India was the only known source of diamonds at that time, many were purchased directly from the East India Company. Some had been cut into roses, tables or lasques by Indian craftsmen. But Richard also bought quantities of rough diamonds, which he either sold on for a quick profit or had cut into roses and brilliants locally before setting them into rings, necklaces or earrings. Nor was the East India Company his only source of supply. Other diamonds were acquired from merchants or from customers looking to trade up, reduce their debts or dispose of a deceased relative's estate.

At first Richard was content to buy and sell within the confines of London. But by the early 1700s he had more ambitious plans afoot. The first hint of these came in a letter, dated March 1706, from London-based diamond merchant Marcus Moses. It reveals that Moses was in Amsterdam at Richard's behest, to sell a diamond necklace and ring purchased from one of the bank's more debt-laden customers, the late Earl of Burlington, and conclude a deal for a brilliant ring. A year later, the two men entered into a formal diamond-dealing partnership. While the exact terms of this partnership are unclear, it is likely that Richard put up most of the money, while Moses's expertise would help buy and sell the stones. Any profits were to be split 50:50. Over the next twelve months, the pair spent £10,200 (c.£1.3M today) purchasing, cutting and setting 37 diamonds, before shipping them to the Continent for sale via a network of trusted merchants: Peter Greve and Walter

Beckhoff at Hamburg, David and Jacob Neufville at Frankfurt and Messrs Romswinkle & Warin at Amsterdam.

Although the scheme was not without its successes – the partnership account shows that in June 1709 Moses was paid £500 *for his Interest & Profytt in the Great p'r of Ear Rings and drops* – sales were difficult to come by. For one thing, the trade was a secretive one, dominated by a handful of tightly knit Jewish families, making it difficult for outsiders to gain any meaningful foothold. This may explain why Richard elected to join forces with Moses in the first place. Certainly his letters indicate that he expected to benefit from Moses's contacts, particularly those in his native Hamburg. In August 1709 Richard wrote to his son Thomas, who had been placed in a merchant's house there, that Moses had asked his brother-in-law, Berendt Heyman, and several other diamond merchants, to instruct him in the trade. Subsequent letters, however, suggest that this training never materialised. They also reveal just how murky diamond dealing could be. In March 1710 Richard informed Thomas: *Mr Moses has desired me to write to you to speak to Mr Levyn Moses Nathan & tel him that he shall have two per cent for all the Diamonds that Mr Berent Nathan or his partners shall buy either of Mr Beckhoff or Mr Greve of my Diamonds, but you must injoynt to all the Secrecy imaginable that no Person living may know it, and that he does not demand at any time of Meses Beckhoff or Greve more than half per cent, and the other 1&½ I will punctually but privaley pay him, either in London or Hambrough...you must be very Secret of it, for if it should come to be known there are many inconveniences may attend it...therefore let all your discourses with the said Mr Levyn Moses Nathan be at some private Places where you may not be in danger of being overheard.* So pervasive was this air of general mistrust that before long Richard was asking Thomas to spy on Moses: *thank you for the Account you give me of tran[sactions] managed between Mr Marcus Moses and Madam Lenkers, if you can inform your self any thing farther in that affair, or any other business that Mr Moses carrys on with any other Person, it will be of great use to know it but you must do it with as privacy as is possible.* Despite these lingering doubts, however, Richard and Moses continued to work together and remained in touch long after Moses departed for India in 1713.

Even with good contacts, the early 1700s was not a propitious time to be selling diamonds. Much of Europe was embroiled in the War of the Spanish Succession, which left little money or appetite for luxuries. As Walter Beckhoff reminded Richard in 1714: *we haveing had a troublesome time wth Warr & the sickness [plague] wch has occasion'd trade to be very bad here, so there has been to this time no Demand at all for Jewells.* And on the rare occasion that an opportunity did present itself, the price offered invariably fell short of Richard's somewhat unrealistic expectations. Finally, in 1716, after a year of tedious negotiation, Beckhoff persuaded Richard to accept an offer of 11,000 Rix Dollars for three diamond rings, to be paid in three instalments over the course of twelve months. The purchaser, Lewis Weysweiler, was declared by all to be a man of good standing and reliable credit. Yet within weeks of the deal being agreed, Weysweiler had fled Hamburg for Vienna, leaving a trail of protested Bills in his wake. To make matters worse, his brother-in-law had taken Richard's three rings to Leipzig, expecting to find Weysweiler there. As soon as the news broke, Weysweiler's creditors set a guard on his house to prevent his wife disposing of any assets or slipping away to join him. A desperate Beckhoff had to act quickly: *I've taken from her [Mrs Weysweiler] a writing...wherein she obligeth her self ye 3 brilliants wch she has given to her brother Moses Polake for Leipzig, to deliver back again in natura without any dammage, or to pay ye money, under punishment of ye prison, of wch writing I sent last Wensday a copy with an assignation of her for sd 3 diamonds stoness to my friend at Leipzig, for in case he can yet find ye said Moses Polake there to ask ym of him back again...I hope yet it is possible to save you, wch me shd make merry of all my heart.* To Beckhoff's immense relief, Polake returned to Hamburg and surrendered the rings before word of his arrival reached Weysweiler's other creditors.

In 1713, having failed to sell many diamonds in Amsterdam or Germany, Richard decided to try his luck at Paris and sought the opinion of local merchant Philip Masson. Masson advised that while rough diamonds generally sold well: *what are most sought after are the Brilliants from 6...to 30 Gr[ains] but they will have them of a clear Water well shaped and spread & when they have these Qualities and are at a reasonable price, one may be able to putt them off at a pretty good advantage.* Although Richard balked at Masson's fees (1% brokerage, 2% commission and a further 2% should he be required to act as security for any credit based sales) he was sufficiently encouraged by this response to approach the Lord Privy Seal, John Robinson, then representing Britain at the Utrecht peace talks. After apologising *for presueming to give your Excelency trouble at a time when you are soe very much ingaiged in the Greatest Concerns for the Honor and Prosperity of Our Queen and Country,* Richard asked Robinson to forward a packet to the British Ambassador at Paris under cover of his own dispatches. Needless to say, the packet, a small, flat box wrapped in paper and sealed with five separate seals, contained diamonds – a pair of earrings and five rings set with brilliants – valued at £6,500. Robinson duly forwarded the box via one Monsieur de la Faye, who had been commissioned by the French Ambassador to carry some of the Ratifications of the Treaty of Peace.

Despite Masson's bullish talk, however, it soon became clear that there were no more quick or handsome profits to be had at Paris than at Amsterdam or Hamburg. And once again the chief stumbling block was price. Richard claimed to have set modest prices on all his pieces. But in December 1714, eighteen months after receiving them, Masson wrote despairingly: *I have never been offered more than 15 to 16000 Livers [£950-£1000] for ye pair of Ear Rings wch you value at £1300 sterling, more than 20 to 22000 Livers [£1250-£1380] for the ring which you value at £1600 & more than 24000 Livers [£1500] for that wch you ask £1800 for & for the Brilliant Ring which you put down at £950 they never would give me more than Livers 12000 [£750]...pray advise me the lowest price you will have that I may not loose the opportunity of selling.* As before, though, Richard stubbornly refused to lower his prices. And so his diamonds failed to sell. The one piece that did find a buyer – the last mentioned ring, which Masson agreed to sell in March 1715 for £100 less than Richard's minimum price – never left his hands, the purchaser having still not come up with the requisite funds two years later.

Unfortunately, the long awaited peace did little to improve Richard's prospects. A gloomy Masson predicted: *for a long time diamonds will not take favour in France because money is Extreemly scairse since all the diminutions that we have had & the frequent Bankruptcies which happen in trade...Those who have any money rather choose to keep it then to lay it out in goods or diamonds which are fallen from 30, 40 to 50 per cent of what they were worth formerly.* To make matters worse, diamonds, especially large ones, were becoming scarce in India, while the Indians, having woken up to the huge profits European merchants had been raking in hitherto, began demanding much higher prices for those that did emerge. By the middle of 1716 Masson had had enough. Disappointed in both the quality and quantity of a batch of diamonds he had received from Marcus Moses in return for 6,000 Pieces of Eight, and disheartened by Moses's warning that *Diamonds are so dear beyond imagination,* Masson resolved not to send for any more.

After Richard's death in early 1719, his successors acquired few new diamonds. Instead they concentrated their efforts on disposing of those they already had. A large number were sold to Isaac Franks, a close friend and colleague of Marcus Moses, in December 1719, while Messrs Romswinkle & Warin succeeded in selling several more a month or so later. None, however, achieved the ambitious prices Richard had held out so steadfastly for. A brilliant ring, which he had valued at £2,800, made just £1,866, while two further rings, priced originally at £1,100 and £850,

realised just £734 and £566 respectively. Finally, in June 1734, Richard's grandson Henry put in £2,025-5-0 (c.£268K today) of his own money to clear the account. The Hoares' diamond dealing days were over.

And Marcus Moses? Soon after his return to London in 1721, reputedly with a great fortune, he set about trying to sell a large green diamond to George II for £10,000. The King was fascinated, but failed to bite. The Dresden Green Diamond, as it became known, eventually found its way into the collection of Frederick Augustus II of Saxony. Moses, however, did not live to see it. His wealth dwindled steadily throughout the 1720s, so much so that in 1727 he was forced to borrow £3,500 from Hoare's, secured against *a sett of Brilliant Diamond Barriers & Girdle Buckle*, a loan he soon increased to £4,000. The following year, a bankrupt Moses returned to India in a bid to resurrect his fortune. But as luck would have it, his arrival coincided with the discovery of huge diamond deposits in Brazil. There could be no second fortune. Moses died in poverty at Madras in 1735.