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Global Trade and Commercial Networks: Eighteenth-Century Diamond Merchants

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Tijl Vanneste has written an important book about the functioning of commercial networks during the mid 18th century. The author goes beyond national boundaries, as he carefully analyzes how a cross-cultural, cross-religious, and cross-gender diamond merchant network operated between the cities of Antwerp, London, Amsterdam and Lisbon. His main focus is on how cross-cultural trading networks contributed to a globalized outlook.

At the core of Vanneste?s book are the papers of James Dormer, a British Catholic merchant who traded and lived in the city of Antwerp around 1750. As Vanneste explains, Dormer?s papers reveal a network of correspondence which crosses national boundaries, religious affiliations, family ties, and gender. He has also extensively investigated additional records concerning Dormer and his correspondents in a wide variety of Belgian, Brazilian, British, Dutch, Portuguese, and United States archives and libraries. These especially, but not exclusively, concern Francisco and Joseph Salvador, who were Sephardic, London-based merchants.

The Belgian historian argues that a cosmopolitan merchant mentality unified the early modern world. The need for reciprocity, trust and mutual understanding created an intimate world that led to a culture of

communal help across national boundaries, and united merchants of different religious/cultural backgrounds. This new merchant mentality was created as a consequence of an ever-increasing international trade. Merchants pursued their self-interested goals, yet these could only be achieved by non-selfish acts involving reciprocal favors. Profit was a goal to be pursued, yet to diminish risk a mind-set of understanding and mutual interest was crucial. Merchants thereby recruited and recommended fellow colleagues into their networks who had a similar understanding and shared the same values and reputation. As these merchants were embedded within their societies and participated in the highest level of exchange, sometimes even as agents of governments, they brought these sets of outward-looking values that commercial exchange had created, and contributed to a dissimulation of a more global awareness.

In the first two chapters Vanneste sets the scene. Given this book is a case study of a commercial diamond network around the 1750s, he explains the importance of human agency (case studies) in economic history in examining how merchants operated, as well as what he means by commercial networks, namely merchants who acted as an organized group over a long period of time and who had mutually beneficial relations. These merchants had a common interest in wishing to diminish risk, and needing to be well-informed about the market in order to be able to make sensible decisions themselves, and trust others to make these decisions for them. This was especially necessary since the diamond trade was secretive, monopolized, fluctuating, and prone to smuggling.

Vanneste explains well in the second chapter how the diamond market was organized, especially during the 17th and 18th centuries. During Dormer?s time, the Portuguese government tried to regulate the diamond market. As most gems were mined in Portuguese Brazil, the Crown established monopolized contracts both in Brazil, and with regard to the Brazilian diamonds sent to external markets from Portugal. Yet diamonds were easily smuggled from Brazil, using an older and thus more established route through Goa (Portuguese India), Madras (British India) and from Borneo. Because of its secrecy, the diamond trade was not publicized. Indeed, the Portuguese government ended its European contract in 1757 when it realized that the Sephardic merchant Francisco Salvador, one of the Dormer commercial network?s main participants, was in a secret alliance with the official diamond contractors. Marketing diamonds was equally challenging, as different tastes were prevalent in the many markets around the world. Vanneste makes a strong case, arguing that a close commercial network was crucial to enable the buying, polishing, financing, and marketing of the diamonds at the right place and at the right time. Hence it was vitally importnat that members of the network learned to trust each other?s judgments.

In the subsequent two chapters, Vanneste contrasts two commercial networks related to James Dormer?s activities on the diamond market. The first was a multi-cultural network among whose members were an Englishman in Antwerp (Dormer), two Huguenots belonging to the English factory/nation in Lisbon, Sephardic Jews in London (Salvador), British financiers in Amsterdam and a female broker and polisher who traveled between Amsterdam and Antwerp. James Dormer was a full partner in this network, with all actions being reciprocal, in contrast to the other which was a competing family network of Ashkenazi Jews where Dormer acted mostly as an agent.

The different partners in the network maintained contact through frequent correspondence. Their cooperation was based on mutual trust, reciprocity and routine ? what Vanneste labels as a ?merchant culture?. Each had different roles; buying, polishing and marketing diamonds, as well as financing these activities. However, the partners in the network supported each other, in and outside the diamond trade. Rendering favors, providing recommendations, marketing products for third parties, hosting friends, endorsing and underwriting bills of exchange, and advising/supporting new commercial projects ? all these were all crucial to the reputation of the merchants. This eventually led to capital accumulation, increased prestige, risk reduction, financial stability and personal friendships. Nevertheless Dormer was also in close and secret correspondence with the competition, a kinship-based Ashkenazi network.

Vanneste contrasted the cross-cultural network with an ethnic and family network of Ashkenazi Jews. In the case of the Levy/Norden/Salomon network, they operated through family members in Amsterdam, London and Hamburg, but needed an Antwerp agent who could sell their gems on that market. The connections with

Dormer were held secret, especially since they were competitors to the other cross-cultural commercial network. Vanneste does not consider Dormer to be an equal partner in (or even a member of) the Ashkenazi network because the relations were more conflicted, based on less trust, and never fully reciprocal. Still Vanneste shows that there was some personal approximation, as the Levy family did invite Dormer to the wedding of their children, and their business correspondence also had amicable passages. Vanneste explained that the Levy/Norden/Salomons network was less trusted on the market, partly because they had a reputation of being involved in contraband trade and were thus able to undercut the regular market value of diamonds. Secrecy seemed to be key to their operations.

As Vanneste explains how the commercial network mentality changed local outlooks, he moves increasingly away from James Dormer. Chapter five discusses how members of the cross cultural network were embedded in local societies without losing their own identities, using as examples of the Sephardic and Huguenot diaspora the Salvador family in London and the Berthon/Garnault partnership in Lisbon. In the case of the Salvadors, they were embedded in a ?stronger? British society, but still remained loyal to their Sephardic community, although they did keep close ties with British elites. Politically, Joseph Salvador supported the defeated naturalisation bill in Parliament, which allowed Sephardic and Ashkenazi communities to become partial citizens. Even though he became politically involved and showed some similar characteristics to the British elites (having high profile affairs was one of them), he did remain loyal to his Sephardic background and a well respected community member.

Berton and Gaulart, the Lisbon based Huguenot merchants, were in a ?weaker? Portuguese society, and their membership of the British nation in Lisbon provided them with privileges. As Huguenots, this allowed them to continue in their private religious practices and intermarry within their own community. In terms of commerce, the privileges of the British nation in Portugal provided special protection, both in the export of currency and diamonds as well as in their trading disputes with Portuguese partners. Nevertheless, the Huguenot merchants continued to feel ?French? and had close relations with their French compatriots in the Portuguese capital. Like the Salvadors, they never lost their original cultural identity, which Vanneste compares to the reciprocal and outward-looking merchant mentality.

Successful cosmopolitan and open-minded merchants were highly regarded by the political elites. They participated in local communities, and became sought-after advisors for high-level governmental agents. Not only did they trade and exchange goods and property from many parts of the world, but they were also aware of the different issues at stake and even discussed them in their correspondence. In the last part of the 18th century, when Joseph Salvador became a member of the Royal Society, he was engaged in discussions concerning the improvement of the sciences and agriculture, and intervened in East India Company affairs. Previously, the Salvador family was sought out by the Portuguese ambassador (Pombal and his father) to resolve issues, among which was the building of a Catholic chapel. James Dormer eventually died on a mission of the Austrian emperor to Britain to find support for a lottery. All members of the cross-cultural network corresponded regularly, often considering matters of state that were seemingly unrelated to commercial activities. In other words an outward outlook was ingrained in this merchant culture, a shared interest in the rest of the world in which all merchants communicated.

Throughout the book and especially in his conclusion, the author provides the reader with ?to do? lists, which will answer the obvious criticisms of most readers. Vanneste discusses what constitutes a cross-cultural network, which he contrasts with a family network. Reciprocity seems to be the key point. Yet both the Sephardic and Askhenazi networks had strong family ties, and in both cases Dormer did have a more personal correspondence. Hence the question of ?belonging to? or ?not-belonging to? became murky. Vanneste?s definition is outcome-oriented, looking at the level of trust between the different partners. Similarly, according to his definition embedded merchants were not related to, nor had married into, the host communities, and thereby kept their own identity. Again, this seems fluid, especially since part of the cross-cultural network, including James Dormer, had indeed intermarried locally. Another distinction is between ?weak? and ?strong? host societies, defined by how much privileges a foreign factory/nation could impose on the host society, Portugal was seen as ?weak? and Britain as ?strong?, based on treaty concessions. Vanneste has his personal doubts about this self-identification of the British as being superior, and indeed,

he points out himself how important families related to the diamond trade such as the Braamcamps and Gildemeesters were interrelated with their host community. Yet, did they thereby lose their own cultural identity, or for that matter contribute to a more outward-looking mentality? Vanneste pointedly remarks that more research will be necessary concerning other groups that contributed equally to a more global outlook. Indeed, one of these groups might be centered around the Royal Society, to which Joseph Salvador belonged, and within which members from around the globe corresponded.

In a different vein, Vanneste claims that his work on the trading network is non-Eurocentric, as he does not consider these networks superior to other trading networks outside Europe. Vanneste sees these networks as part of a general globalization movement, and his examples just happen to come from a variety of European nations. At the same time as the author recognises that the merchants in Dormer?s network resided in Western Europe, he also points out that similar commercial relations and mentality went far beyond this geographical area. As Vanneste is analyzing a cross-cultural network, he claims that the validity of his findings also crosses time and oceans, as he expected that similar cross-cultural networks in other parts of the world will display a similar mentality. Vanneste asserts that cross-cultural interaction can be found in both correspondence and the development of credit lines. The author makes a plea for a global comparison, and provides future researchers with a model for analysis

Tijl Vanneste is himself an interesting historian, keeping the Belgium interest in Brazil, Portugal, and Portuguese India alive. Together with Johan Vanberckmoes and Bart de Prins, he continues the scholarly work of Eddy Stols and others who have actively promoted the understanding of Latin America, Asia and the Iberian Peninsula in the Low Countries. Their activities go beyond the interests of professional historians, for instance in 2011?12 they organized impressive expositions concerning the indigenous populations in Brazil (*Índios no Brasil*), images of Brazil in the Low Countries (*Terra Brasilis*), and about diamonds (*Circuito dos Diamantes*) as part of the Europalia/Brasil international arts festival. This effort was an impressive collaboration between the Belgium and Brazilian governments, under the aegis of the European Union, and forged by a connection between Belgium, Brazilian and Portuguese scholars and academic institutions. In the same vein this book, *Global Trade and Commercial Networks*, is the fruit of a dissertation defended at the European University Institute in Florence, Italy, while the advisor was Diogo Ramalda Couto from Portugal, and it was published in Great Britain. He is part of an increasing global academic network that is interested in interacting with the local communities in which they find themselves.

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