

The
Stock Exchange
Christmas Annual
—————1905-6.—————

Compiled by W. A. MORGAN.

In aid of "The Referee"
Children's Dinner Fund

F. WETHERMAN & Co., Ltd.

————— Enfield, England. —————

1905-6.

Brokers' Medals and Stockbrokers' Tokens.

By J. B. CALDECOTT.

AMONG the numerous medals and tokens which come within the notice of collectors, there are a few specially connected with the Stock Exchange that have probably escaped the notice of most of its members.

These are the medals formerly given by the Corporation of the City of London to each sworn broker upon his admission, and also a few tokens issued by a firm of stockbrokers during the first half of last century.

Before describing these in detail, the writer wishes to acknowledge his indebtedness to Mr. Lionel Fletcher, who has furnished him with the specimens from which the illustrations have been taken, and also with much information regarding them; and to Mr. Stanley Mortimer for allowing Mr. Roger Mortimer's original certificate of admission as a Freeman of the City to be here reproduced.

As far back as the end of the seventeenth century it was deemed necessary that stockbrokers should be under some definite license and control, and an agitation with the object of affecting this resulted in an Act (8 and 9 William III. c. 32) being passed to limit their numbers and to regulate their personnel.

As this Act is the first affecting stockbrokers specially, it may be of interest to briefly record its provisions as given in Francis' *Chronicles and Characters of the Stock Exchange* (p. 191), where he gives part of the preamble as follows:—

“Whereas divers brokers and stock jobbers have lately set up and carried on most unjust practices, in selling and discounting tallies, bank stock, bank bills, shares and interest on joint stock, and other matters; and have and do unlawfully combine to raise or fall the value of such securities, for their own private advantage; and whereas the numbers of such brokers and stock-brokers (? *jobbers*) are very much increased in these few years, and do daily multiply; be it enacted that from and after May, 1697, no person shall act as broker until licensed by the Lord Mayor and Court of Aldermen of the said City of London.”

From the above it is interesting to notice that complaints of “corners” and of the overcrowding of the profession are of somewhat early date.

The number of brokers was limited to one hundred; the admittance fees were not to exceed forty shillings; the names were to be publicly affixed on the Royal Exchange, in Guildhall, and other public places in the City. Any person not being a sworn broker, acting as such, was to forfeit £500, and for every offence to stand three times in the pillory, and their clients were liable to a fine of £50. Brokerage was not to exceed 10s. per cent., and brokers were forbidden to deal in any articles on their own account under a penalty of £500 and expulsion.

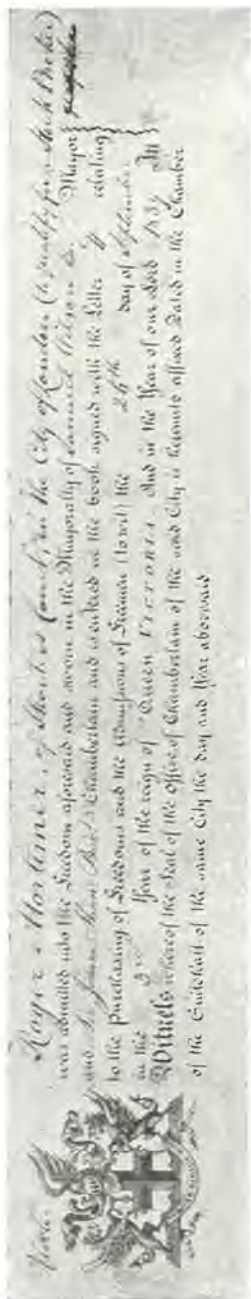
This Act continued in force ten years, and, on its expiry in 1707, the complete control of stockbrokers was granted to the City by 6 Anne, c. 16, by which the Corporation was empowered to levy a fee of 40s. per annum upon each broker; but it did not renew the limiting and penal clauses of the previous Act.

The City now required the stockbroker, before admittance, to be recommended by six merchants of London, to produce certificates of his knowledge and capacity, to promise that he would not ask more than the usual brokerage (which was soon afterwards fixed at 2s. 9d. per cent.), and that he would keep a broker's book recording all contracts. He had to enter into a bond of £1,000 that he would, if required, disclose the names of principals, and that he would not deal for himself, and to find two sureties of £250 each, and also one for the rent payable to the

Corporation. This rent was, by 57 George III., c. 60, increased to £5 per annum. He must also, in accordance with the general rule governing all trades in the City at this period, be a Freeman of it; and the Certificate of Freedom granted to Mr. Roger Mortimer in 1839 expressly states (even at this comparatively recent date) that his admission was upon his being sworn as a broker.

A facsimile of a broker's license of 1846 is given in Mr. Duguid's admirable "Story of the Stock Exchange," and is as follows:—

"THIS DAY, *John Inghald, Citizen and Spectacle Maker of London*, having entered into two bonds or obligations, the one in the penalty of one thousand pounds, for his honest and good behaviour in the office or employment of a broker, and the other, with security, in the penalty of fifty pounds, conditioned for the yearly payment of five pounds each twenty-ninth day of September, and having provided further security in two persons approved of by this Court in the penalty of two hundred and fifty pounds each for his honest and good behaviour in the said office, pursuant to an order made by this Court the 15th day of September, 1818, IS BY THIS COURT ADMITTED to be a Broker within this City and Liberties, pursuant to an Act of Parliament in that case made and provided, to have use and exercise the same during the pleasure of this Court, and no longer; and the said *John Inghald* was here sworn for the due execution thereof."



Previous to 1818, the bond contained a provision that the brokers should not meet in Change Alley, which, as Jonathan's Coffee House, there formed the Stock Exchange centre for some sixty years, must have been more honoured in the breach than the observance.

By the beginning of the nineteenth century the proper constitution of the Stock Exchange in its present locale made the control of the City unnecessary; but, in spite of many attempts, it was not until 1870 that the necessity of obtaining sureties and the personal bond were abolished, nor until 1884 that the broker's rent payable to the Corporation ceased.

In addition to the license, the newly-fledged stockbroker was presented with a silver medal, engraved with his name, to be produced, when required, as a proof of his *bona fides*; and the various varieties of this medal used, from the reign of Queen Anne to that of Queen Victoria, are represented in plate I.

It may be here mentioned that though some of the early specimens show slight signs of wear, the brilliant condition of the later issues is proof positive that it was seldom necessary to produce them to satisfy an anxious client.

These medals bear upon one side the Royal Arms, and upon the other those of the City of London, beneath which latter is a space for the recipient's name, and are extremely good specimens of the medallic art of the period.

The motto beneath the Royal Arms is, in the case of those issued 1707-14, "*Semper eadem*," which is replaced in the later ones by "*Dieu et mon droit*," and the arms show the usual variations of their times of issue. The main types are No. 1, used 1707-14; No. 2, 1714-1800; No. 3, 1801-1830; No. 4, 1830-1837; and No. 5, from 1837 onwards.

The earlier ones of type 2 were cast and afterwards engraved, the remainder being struck from dies. Type 3 was the work of a die sinker named Milton; types 4 and 5 were engraved by R. Wyon, and the last medal figured on plate I. is a pattern prepared by J. Davis about 1830, which was not adopted, and consequently not issued, by the Corporation.



1



2



3



4



5



6



PLATE I.

Medals Issued to Sworn-Brokers by the Corporation of London.

Before quitting the subject of these medals, it may be well to note that though they have been treated of only as far as they concern stock-brokers, they were also issued to brokers dealing in other commodities, and consequently the names upon them need not necessarily be those of members of the Stock Exchange.

The token figured at the top of plate II. is of interest, as it bears upon it the view of the building that immediately preceded the one now in use. This building, the first one to bear the name of the "Stock Exchange," was situated in Sweeting's Alley, a narrow passage, long since demolished, at the eastern end of the Royal Exchange; and it had frontages both to this alley and to Threadneedle Street, covering a space now marked by the Peabody monument. The dealers in stocks and shares migrated there from Jonathan's Coffee House in Change Alley in 1773, and the meeting held on July 15th of that year marks the first step towards the present form and constitution of our body. Beginning with a sixpenny collection towards a bowl of punch to celebrate the occasion, the building was open to brokers, dealers and the public alike upon a daily payment of this sum, a rule that continued until the migration to the present building in 1802. The token figured was issued in 1811, by which time it had passed into the hands of an auctioneer, whose advertisement appears on the reverse.

We now come, in the remaining tokens figured on plate II., to some actually issued by a Stock Exchange firm.

During the years 1785—1805 the shortage of copper coinage had caused corporations and traders all over the kingdom to issue tokens that passed as coins, and were redeemed by their issuers; but as those now spoken of were issued long after the latter of these two dates, it is certain that they had no monetary value, but probably served as a useful reminder to actual or possible clients of the hours of business and of the days upon which this could be transacted, and as an advertisement of the firm issuing them, which speaks eloquently of the absence of our present rules. They bear the names of John Ashby, of 3 Bartholomew Lane, Bank, and of his later firm, Ashby and Young, of the same address.

The larger token (No. 2), of which, Mr. Lionel Fletcher informs me, only two specimens are known, bears upon the reverse a somewhat remarkable list of thirty-two fixed holidays, and a note that the business hours were from ten to three o'clock. This token was succeeded by a smaller thicker one (No. 3) bearing a similar design and lettering.

Far from laying ourselves open to the now oft-made charge that we have too many holidays, the list is worth preserving as a refutation of this, and perhaps as a gentle reminder to our Committee for their future guidance in the matter. The days mentioned appear in the calendar as follows:—

January	1.	New Year's Day.
..	6.	Epiphany.
..	25.	Conversion of St. Paul.
..	29.	Accession of George IV.
..	30.	Execution of Charles I.
February	2.	Purification of B. V. M.
..	24.	St. Matthias.
March	25.	Annunciation of B. V. M.
April	23.	St. George's Day.
May	1.	St. Philip and St. James.
..	29.	Restoration of Charles II.
June	11.	St. Barnabas.
..	24.	St. John Baptist.
..	29.	St. Peter.
July	19.	Coronation of George IV.
..	25.	St. James.
August	24.	St. Bartholomew.
September	2.	Outbreak of Fire of London.
..	21.	St. Matthew.
..	29.	St. Michael.
October	18.	St. Luke.
..	28.	St. Simon and St. Jude.



1



2



3



4



PLATE II.

Tokens connected with the Stock Exchange.

November	1.	All Saints' Day.
„	4.	Landing of William of Orange.
„	5.	Gunpowder Plot.
„	9.	Lord Mayor's Day.
„	30.	St. Andrew.
December	21.	St. Thomas.
„	25.	Christmas Day.
„	26.	St. Stephen.
„	27.	St. John, Apostle.
„	28.	Innocents' Day.

The early rules of the Stock Exchange provided that it should be closed upon Good Friday and Christmas Day, and also upon every day appointed by Royal Proclamation as a day of Fasting or Thanksgiving; and though many of the days in the above list appear only as Saints' Days, they owe their presence there to the fact that, upon them, the transfer books of the Bank of England were closed, a proof of the large proportion that bargains in Government Funds formed of the general dealings at that period. This list of holidays was much curtailed by an Act passed (the writer believes) about 1828: and upon the next token (No. 4) the list is brought down to a modest seventeen days.

This issue bears the name of Ashby & Young, and a reference to the Brokers' Lists gives the following dates:—1814 to 1823 John Ashby, 4, Bartholomew Lane; 1824 to 1834 John Ashby, 3, Bartholomew Lane; 1834 to 1838 John Ashby and George White Young, 3, Bartholomew Lane. The earliest of these dates is that of John Ashby's admission as a member of the Stock Exchange.

All the tokens alike bear upon their obverse the figure of a bull with a human head, and on the reverse a bear similarly equipped. The head of the former is that of Nathan Mayer Rothschild, and of the latter that of Moses Mocatta, an allusion to their views and a tribute to the power of Jewish financiers at that time.

The career of Nathan Rothschild is too well known to need

recapitulation; but it is chiefly as the first founder of the system of paying interest in this country upon the loans of foreign states raised here, and consequently as the founder of the market in Foreign Government Bonds that he may be remembered, a market which, conducted in the Royal Exchange until 1823, was, about 1828, merged in the Stock Exchange, though for some years it remained under a separate committee.

Of Moses Mocatta we find that he was admitted a sworn broker in 1816, and remained so until 1844. He was a partner in the firm of Mocatta & Goldsmid, and took a prominent part in all movements for the benefit of his race and for the removal of the disabilities under which they suffered.

The limitation of the number of Jewish brokers is referred to in the following extract from Picciotto's "Anglo-Jewish Sketches."

"Until modern times the number of Jewish brokers in the City of London was limited to twelve, when a vacancy occurred the office was purchased by a *douceur* to the Lord Mayor varying from £1,000 to £2,000, according to the needs and exigencies of that high functionary. The last recorded instance of such a bargain taking place was in 1826, when Mr. J. B. Montefiore bought for 1,500 guineas from Sir William Magnay, the then Lord Mayor, the medal which formed the title deed of the privilege, and which had lapsed by the death of the previous owner. Ten years afterwards this absurd limitation as to number was removed, and Lord Mayors ceased to levy a heavy tax on Jewish brokers."

The period at which John Ashby issued his tokens is a very interesting one, as the speculative fever that arose in 1824 was the means of greatly enlarging the number and scope of the companies quoted on the Stock Exchange. Previous to 1824 only 156 companies with a capital of 48 millions, of which 34 were paid up, were known, and the boom of this and the following year still left—after its inevitable smash—the following companies, of which a list is given by Mr. Duguid, p. 125.

Kind of Company	No.	Capital.	Paid up.
Canals	63	£12,202,096	£12,202,096
Docks	7	6,164,591	6,164,591
Insurance	39	48,608,948	8,795,948
Waterworks	16	2,973,170	2,973,170
Bridges	4	2,452,017	1,952,017
Gas	47	10,691,700	3,377,300
Roads	7	494,965	479,815
Mines	44	26,776,000	5,455,100
Miscellaneous	56	40,354,600	6,851,850
	<u>283</u>	<u>£150,718,087</u>	<u>£48,251,887</u>

This period was also remarkable for the first appearance of Mining Companies in any number, a class of security that has since occupied the attention of an increasing number of members of the Stock Exchange and of their clients

Such are a few of the facts and associations that cluster round the metallic memorials mentioned in this short and necessarily incomplete account; and the hope that some among them may be of interest to his fellow members is the only excuse the present writer can offer for their appearance.

