NECESSITIES, DECENCIES, LUXURIES:
ESSAYS IN 18TH-CENTURY INTERNATIONAL COMMODITY TRADE.

The Diamond Trade:
Baring Brothers & Co., Hope & Co., and Jewish Diamond Merchants.

By

Herbert H. Kaplan ©January 2020

Essay: Master Original.

All rights reserved. No part of this manuscript may be reproduced in any form or by any means without the prior written permission of Herbert H. Kaplan, 200 Washington Square, Apt. 3306, Philadelphia, PA 19106. Tel: 215-772-0757 (home), 215-681-1190 (cell). Email: herbert.kaplan@comcast.net.
There are few things in the history of the human race, that at first sight appear so remarkable, as the prodigious value which, by common consent, in all ages, and in all civilized countries, has been attached to the Diamond.


The Brazilian diamond was the most desired jewel in Europe during the century from 1750 to 1850, when the precious gem had also become a valued security for making bank loans. The stone now found in a new use as a money equivalent, or diamond-as-capital. This modern usefulness in money and banking made the diamond acceptable as security for lenders. The New World gem continued to be a jewel of striking qualities which yielded fine and even famous stones. During that century the Brazilian diamond also bridged the long history between the ancient Asian-Indian diamonds of legend, romance, and magic, and the present-day South African and Angolan gems.

Baring Brothers & Co. of London and Hope & Co. of Amsterdam were the most powerful merchant banking institutions in the world during the latter decades of the 18th century and the early years of the 19th century. Their ledgers and correspondence reveal their commercial and financial risk-taking activities in Europe, Latin and North America, the West and East Indies, and Russia. There was not a major international commercial or financial venture which Hope or Baring did not initiate, participate in, or refuse. Hope and Baring had a long held desire to control the Brazilian-Portuguese diamond trade into Great Britain and Europe. The story of that venture follows.

*     *     *
In early 1802, François-Louis-Joseph Laborde de Méréville found himself once again in Paris from which he had fled for his life a decade earlier. Prior to the Revolution, he owed his wealth and station to his father, Jean-Joseph, the Marquis de Laborde, who had accumulated an immense fortune in *ancien régime* France and who was later executed. François-Louis-Joseph Laborde de Méréville, as a member of his father’s banking enterprise and as a member of the National Assembly, had moved comfortably among the rich and powerful.1 International commodity traders and merchant bankers trusted him. In 1787, Henry Hope, the prominent Amsterdam merchant banker, invited him to join with him and Francis Baring, the prominent London merchant banker, in an operation designed to corner the market in cochineal, a valuable dye input in the printing of textiles, but he refused. However, in 1790, he reportedly bought up all the sugar and coffee available in Bordeaux. A year later, he became a limited partner in the ambitious merchant-banking house of Boyd, Ker et Cie. In 1793, after King Louis XVI was put to death and France declared war on England, he fled to England leaving behind most of his accumulated wealth but

---

shortly after his arrival in London he had in his possession an estimated £100,000.²

François-Louis-Joseph Laborde de Méréville’s return to Paris coincided with two major developments in the international diamond trade. Henry Hope and Francis Baring were concluding their negotiation for a loan to the Portuguese Court to be collateralized with diamonds from Brazil. The purpose of the loan was to indemnify Napoleon to avoid the occupation of Portugal by French and Spanish troops.³

At the same time, Hope and Baring had learned that an unnamed private person in Paris had offered for sale a large cache of Brazilian rough diamonds reputed to weigh 55,722 ¼ carats, and they authorized Laborde de Méréville to purchase those diamonds on their behalf.⁴

This collaborative effort by these independently prosperous merchant-banking houses was not unusual. For decades Baring Brothers & Co. and Hope & Co. had done business with each other and on occasion joined forces in commercial and financial global ventures. The war between Great Britain and France created an environment for an even closer association. When French revolutionary forces

²See Cope (1983), 17-18, 26 and 124, and Buist, 431-432 and 676.


⁴See Baring (Lon.) to Insinger (Ams.) 12 Jan 1802, GAA 1455/2/40-41; Laborde (Paris) to Baring (Lon.) 2 Feb 1802, NP1. A13/3.2, 120a-120b; B & Co. (Lon.) to I & Co. (Ams.), 23 Feb 1802, GAA 1455/2/42-44; Baring (Lon.) to Perregaux & Co. (Paris), 23 Feb 1802, NP1. A13/3.2, 124; and Hope (Lon.) to Insinger (Ams.) 9 and 12 Mar 1802, GAA 1455/24/50 and 52.
threatened The Dutch Republic, Henry Hope fled to London in 1793 where he continued his personal and business relationship with Francis Baring. The British firm became an excellent conduit for the Dutch firm to continue making investments, and their combined resources made them the most powerful merchant-banking association in the world.\textsuperscript{5}

Hope and Baring calculated that, if they were successful in making a loan to Portugal and also successful in purchasing the cache of diamonds in Paris, they then would be in a position to corner the European market in rough Brazilian-Portuguese diamonds. Apparently, Hope had neither learned any valuable lessons from his past participation in Sir George Colebrooke’s failed cornering attempt of the alum market, nor from his collaborative attempt with Baring to corner the cochineal market.\textsuperscript{6}

*  *  *

Diamonds were discovered in Brazil in the 1720s in the gold-laden river beds and banks of Minas Gerais, located northwest of Rio de Janeiro. In 1740, the Portuguese Court introduced a royal monopoly contract system in the Diamond


District to control production, raise revenue, and curtail smuggling. In the 1750s, following the appointment of Sebastiao José de Carvalho e Mello (later the Marquês de Pombal) as secretary of state for foreign affairs and war, the Portuguese Crown refined its effort to control and centralize the Brazilian diamond trade. It decreed that the contract and commerce in diamonds came under royal protection: “Nobody could mine, buy, sell, transport, or deal in uncut diamonds in Portugal and its overseas dominions without a written permit from the contractor who was granted the exclusive monopoly.”

Although the contractors in the Diamond District had extracted about million carats and produced substantial tax revenue for the Portuguese Crown, Pombal was not satisfied. In 1771, he abolished the contract system and declared that the diamond mines would be worked directly for and by the Portuguese Crown under the authority of the royal treasury. More than ever before, the Diamond District became “virtually a colony within a colony.” The rough diamonds legally collected were annually transported to Rio de Janeiro where they were loaded onto Portuguese warships for Lisbon. The Portuguese Crown kept the biggest and best diamonds for itself. The remaining diamonds were sold locally to the aristocracy, to the “Pombaline

---

Bourgeoisie,” to the lapidaries, and to English and Dutch merchant firms which sold them to their clients in Europe, Russia and Turkey.8

The first diamond contract (1753-1755) was awarded to Bristow, Ward & Co., a member of the English/British Factory in Lisbon and agent of the London firm of John Bristow, which took away nearly 122,000 carats. Subsequently, John Gore and Joshua Vanneck of London held the contract from 1757 to 1760. They were business associates of Francisco Salvador, a Portuguese Jew residing in London, who traded diamonds in the Middle East and Asia. Together they took away about 116,000 carats. In 1761, the third contract was awarded to Daniel Gildemeester, head of the influential house of Gildemeester & Co., who was the Dutch Consul in Lisbon. Gildemeester kept the contract until 1787 and took away slightly more than 700,000 carats averaging about 41,000 carats annually.9

Gildemeester’s clients were primarily Jewish diamond merchants in England

---


9Rabello: 88 and 100-103; Quadro No. 9, Diamantes: Extracção e Vendas por Contractos (1753-1771), 115; and Quadro No. 10. Diamantes. Extracção pela Coroa e Venda por Contractos (1772-1790), 116. In 1777, Lisbon merchants Robert Lewis Canofer, Robert Pasley, and Thomas Mayne invited Hope & Co. to join with them to acquire the contract but they failed. See Robert Pasley, Robert Lewis Canofer, and Thomas Mayne (Lis.) to H & Co. (Ams.). 1, 15, 22 and 29 April, and 6 May 1777, GAA 735/101. See also, Tijl Vanneste, Global Trade and Commercial Networks: Eighteenth-Century Diamond Merchants (London: Pickering and Chatto, 2011); Maxwell (1973), 45-46, 66-67, 86 and 100-102; Bernstein, 3-4, 15, 17-18, 21, 41-63, 134-135 and 150-151; and Yoge, 122-123, 294 n. 39, and 323 n. 3.
and The Dutch Republic. They had for centuries traded diamonds from India and now traded heavily in diamonds from Brazil. London had become the leading diamond trading center of Europe and its resident Jewish diamond merchants had developed a network among Jews in Amsterdam and Antwerp where they had long ago established themselves as diamond cutters, polishers and traders. Jewish diamond merchants in London and, occasionally, Dutch diamond merchants in Amsterdam, consigned or sold their Brazilian diamonds privately to merchant-banking houses in Amsterdam, in particular, to Hope & Co.

Extant archival accounts reveal that, during 1770-1786, Hope & Co. transacted a total of about 270,000 carats of consigned diamonds valued at nearly cfl. 9 million from which it derived an estimated 3 percent commission. London Jewish merchants alone consigned nearly 240,000 carats with an estimated value of nearly cfl. 8 million. In turn, Hope & Co. consigned or sold to merchants in Russia about 8,500 carats with an estimated value of cfl. 650,000; and slightly more than 19,000 carats to

---

“other clients” with an estimated value of about cfl. 623,000 (see Table 1.).
Table 1. Hope & Co. Diamond Transactions with All Merchants: 1770-1786.11
[Minimum Estimates. Current Dutch Florin/Guilder @ 11 cfl. = £.]

<table>
<thead>
<tr>
<th>In Carats</th>
<th>cfl.</th>
<th>£.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>267,664</td>
<td>8,988,251</td>
</tr>
<tr>
<td>An. Av.</td>
<td>15,744</td>
<td>528,720</td>
</tr>
</tbody>
</table>

Hope & Co. Diamond Transactions with London Jewish Merchants: 1770-1786.12

<table>
<thead>
<tr>
<th>In Carats</th>
<th>cfl.</th>
<th>£.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>239,882</td>
<td>7,902,695</td>
</tr>
<tr>
<td>An. Av.</td>
<td>14,110</td>
<td>464,864</td>
</tr>
</tbody>
</table>

11Data compiled and computed from H & Co., Grootboeken, GAA 735/998-1014, and Journalen, GAA 735/1265-1281; and Rabello, Quadro No. 9 and No. 10, 115-116.

12London Jewish merchants included: Asser Asser; Meijer Asser; Levy Barent Cohen; Aron Goldsmid Son; Aron Goldsmid Son & D. Eliasen; Salomon Berend Gompertz; Salomon Berend Gompertz & Moses Heyman; Moses Heyman; Alexander Keyser; Ruben Harmanus Keyser; Aron & Salomon Norden; Eleaser Philip Salomons; and P. S. Salomons.
Hope & Co. Diamond Transactions with Russia Merchants: 1770-1786.\(^{13}\)

<table>
<thead>
<tr>
<th></th>
<th>In Carats</th>
<th>cfl.</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>8,466</td>
<td>649,902</td>
<td>59,082</td>
</tr>
<tr>
<td>An. Av.</td>
<td>529</td>
<td>38,229</td>
<td>3,475</td>
</tr>
</tbody>
</table>

Hope & Co. Diamond Transactions with “Other Merchants:” 1770-1786.\(^{14}\)

<table>
<thead>
<tr>
<th></th>
<th>In Carats</th>
<th>cfl.</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>19,317</td>
<td>622,647</td>
<td>56,600</td>
</tr>
<tr>
<td>An. Av.</td>
<td>1,207</td>
<td>36,626</td>
<td>3,329</td>
</tr>
</tbody>
</table>

\(^{13}\)Russia merchants refer to resident foreign merchants not native Russian merchants. See Kaplan (1995), chap. X. “Merchant Nationals.” They included: Coole, Smalley & Co. (StP.); Lewis Ellen (Mos.); Sutherland & Co. (StP.); John Tamesz (Mos.); Thomson, Peters & Co. (StP.); Thomson, Peters, Bonar & Co. (StP.); George Thomson, Rowand & Co. (Mos.); George Thornton, Cayley & Co. (StP.); and John Zierold (Mos.).

\(^{14}\)“Other Merchants” included: Bohl Freres & Co. (Cádiz); Jean Baptiste de Clerck (Ant.); William Paxton (Lon.); and Salomon Q. Isaac Treves (Venice). Amsterdam Jewish merchants included: Hartog Eleasar Cohen and Joseph & Mordechai van Embden & Zn.; Aron Joseph & Zns.; and Ruben Harmanus Keyser.
Even before the diamond contract held by Gildemeester & Co. had come to an
end in the year 1787, the once-lucrative official Brazilian-Portuguese
diamond-contract was no longer as attractive as it had been. During its heyday period
(1774-1778), when war threatened transatlantic shipping, Gildemeester & Co. had
nevertheless taken away an average of more than 64,000 carats annually. But, in
1783, when peace was restored, Gildemeester & Co. reportedly took away no
diamonds and, during the economic recovery years of 1784-1786, Gildemeester &
Co. took away an annual average of only 30,000 carats.15

It is reasonable to assume that the decrease in Gildemeester & Co.’s official-
legal diamond takeaway was owing in part to the sharp increase of contraband traffic
in diamonds. In January 1785, Martinho de Melo e Castro, the Portuguese secretary
of state for overseas dominions (1770-1792), reported that contraband was rampant
along the Brazilian littoral: “That the many important shipments (partidas) of
diamonds that are taken from Brazilian mines appear and are distributed in the
marketplace of Amsterdam by different hands, are harmful and prejudicially in
competition with the diamonds under the Contract.”16

15See Rabello, Quadro No. 10, 116.

16Quoted in Bernstein, 63; and see Maxwell (1973), 77-79.
In that same year of 1785, while Gildemeester & Co. took away only 12,500 carats under the official diamond contract, George Dohrman, an enterprising merchant in Lisbon, actually offered to Hope & Co. 50,000 to 60,000 carats of rough Brazilian diamonds.

Moreover, after Gildemeester & Co.’s diamond contract expired in 1787, the Portuguese Crown faced the challenge of retaining a diamond contractor for the long term. João Ferreira and Paulo Jorge, two Lisbon entrepreneurs, who were well-connected at the court and at the Junto do Comércio (the Board of Trade), filled the position for several months of 1787 and took away 14,000 carats. Yet, together with the 12,000 carats which Gildemeester & Co. had already taken away, the total extraction of diamonds from Brazil for the year came to only 26,000 carats.

In 1788, the Portuguese Crown awarded the diamond contract to Benjamin Cohen & Son, a leading Dutch mercantile house. According to historian Jozeph Michman, Benjamin Cohen (1726-1800) of Amsterdam and Amersfoort was reputed not only to be the richest Jew in The Dutch Republic but also “the predominant Jewish personality” during the second half of the 18th century.

---

17See Rabello, Quadro No. 10, 116.

18See references to letters between Dohrman and H & Co. in 1785, NP1. A19.7.

19See Rabello, 102-103, and Quadro No. 10, 116; Bernstein, 63; and Maxwell (1973), 24-25 and 75.
In 1748 he became a partner in his father’s business, contributing to its expansion. He was a tobacco planter and broker in tobacco and grain; in addition he melted coins, owned a silver refinery in Muiden, besides being a shipowner, importer of Brazilian diamonds and a banker. In the latter capacity he was an advisor to the princely couple.

Importantly, Benjamin Cohen was related to members of the Jewish mercantile elite of London: his father and the father of Levy Barent Cohen, a wealthy commodity and diamond merchant, were brothers; his daughter Leah/Lydia married Salomon Berend Gompertz, a wealthy commodity and diamond merchant; and his sister Rebecca married George Goldsmid, the eldest son of the prominent merchant Aron Goldsmid.20

Benjamin Cohen retained the diamond contract for three years (1788-1790) and took away about 95,000 carats for an annual average of about 31,666 carats. However, he took away fewer carats in each of those years: 43,000 (in 1788), 36,000 (in 1789) and 16,000 (in 1790).21 It has been suggested that Cohen had given up the

---


diamond contract prematurely (supposedly it was to run for nine years) because he had lost his own money and the money of Jewish diamond dealers, who also criticized him for his “un-Jewish way of life.”

Notwithstanding, it is reasonable to suggest other reasons that must have influenced Benjamin Cohen’s decision to withdraw from his contract early: for example, the precariousness of the diamond market owing to the tumultuous events taking place in Europe during the years of his tenure. In September 1787, the Ottoman Empire declared war on the Russian Empire; in February 1788, Emperor Joseph II, an ally of Russia since 1781, reluctantly entered the war against the Ottoman Empire; and, in June 1788, Sweden’s fleet set sail to regain territories previously lost to the Russian Empire. Moreover, in September 1787, Frederick William II of Prussia took an active role in restoring to his brother-in-law the authority of the Stadtholder of the United Provinces. In the early months of 1790, Frederick William II stirred up anti-Russian sentiment in Poland when he concluded treaties with Poland and the Ottoman Empire. But most important was the momentous collapse in 1789 of ancien régime France and the advent of the French Revolution.

---

22See Bernstein, 63; and Yogev, 122, 329 n. 87 and 330 n. 111.

The international diamond market suffered during these tumultuous times. Hope & Co.’s diamond transactions showed no appreciable increase during 1787-1790. Hope & Co. recorded no increase in the annual average number of consignments from London’s Jewish merchants; and it recorded no sales to clients outside The Dutch Republic except to Russia merchants whose sales were fewer than they had been in previous years (see Table 2.).
Table 2. Hope & Co. Diamond Transactions with All Merchants: 1787-1790.24  
[Minimum Estimates. Current Dutch Florin/Guilder @ 11 cfl =£.]

<table>
<thead>
<tr>
<th>In Carats</th>
<th>cfl.</th>
<th>£.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>69,376</td>
<td>1,769,430</td>
</tr>
<tr>
<td>An. Av.</td>
<td>17,344</td>
<td>442,357</td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>In Carats</th>
<th>cfl.</th>
<th>£.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>56,170</td>
<td>1,309,784</td>
</tr>
<tr>
<td>An. Av.</td>
<td>14,042</td>
<td>327,446</td>
</tr>
</tbody>
</table>

Hope & Co. Diamond Transactions with Russia Merchants: 1787-1790.

<table>
<thead>
<tr>
<th>In Carats</th>
<th>cfl.</th>
<th>£.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total:</td>
<td>3,376</td>
<td>215,842</td>
</tr>
<tr>
<td>An. Av.</td>
<td>844</td>
<td>53,960</td>
</tr>
</tbody>
</table>

24Data compiled and computed from H & Co., *Grootboeken*, GAA 735/1015-1018, and *Journalen*, GAA 735/1152 and 1877-1879, respectively.
The diamond-trading fortunes of Hope & Co. took an unexpected but positive turn in February 1791 when the Portuguese Crown awarded the diamond contract to Joaquim Pedro Quintella, an influential financial entrepreneur in Portugal. Contrary to the tradition of distributing Portuguese contract diamonds directly to Jewish merchants in England and in the Dutch Republic, Quintella appointed Hope & Co. as his agent which, in effect, gave the merchant bank control of the distribution of Brazilian contract diamonds in Europe. During 1791-1794, Hope & Co. received from Quintella 103,096 carats of contract diamonds; 29,685 carats from London’s Jewish diamond merchants; and 1,800 carats from a Dutch Jewish merchant. Overall, Hope & Co. transacted an estimated minimum of 135,423 carats (an annual average of 33,855 carats), nearly double the volume it had transacted in 1787-1790.25

The outbreak of the war in 1793 negatively affected the flow of Brazilian contract diamonds to Lisbon and the subsequent presence of French armies in The Netherlands in 1795 thwarted the traditional way Brazilian-Portuguese contract diamonds reached the Amsterdam market.

25Hope & Co. sold 842 carats to a Russia merchant. Data compiled and computed from H & Co. Grootboeken GAA 735/1019-1022, and Journalen, GAA 735/1293-1296, respectively.
In 1795, Lisbon’s official extraction of 26,031 carats from Brazil was one of lowest during the previous decade; and during 1796-1800, the official extraction fell further to an annual average of 12,173 carats.26 Although Hope & Co.’s extant trading records remain incomplete for the year 1795, its diamond transactions during 1796-1800 were an annual average of 13,914 carats, the lowest in more than a decade.27

However, these “official” data convey a misleading impression of the diamonds that Hope & Co. had actually transacted. Because Hope & Co. could no longer legally receive Brazilian diamonds in Amsterdam, Henry Hope devised with Hermann Albrecht Insinger of the Amsterdam merchant firm of Insinger & Co. a circuitous route for Brazilian diamonds to reach Amsterdam via London and Hamburg. Insinger had for years traded closely with Hope & Co. in commodities from the Americas and in bringing Hope & Co.’s purchases of Brazilian diamonds to market after he became its agent in 1794. Correspondence between Quintella (in Lisbon), Hope (in London) and Insinger (in Amsterdam) confirm this maneuver.28


27Data compiled and computed from H & Co. *Grootboeken*, GAA735/1023-1032 and *Journalen*, GAA 735/1297, respectively.

28See NP1. A19.7: Quintella, (Lis.) to H & Co. (Lon.) and to Insinger (Ams.) 25 June 1796; Insinger (Ams.) to Quintella (Lis.) 18 and 21 July 1796; H & Co. (Lon.) to Quintella (Lis.) 19 July
For example, extant invoices from March 1799 to June 1800 document that 39,588 carats of rough diamonds reached Insinger & Co. in Amsterdam and were then sold on behalf of Quintella and Hope & Co.\(^\text{29}\)

\[
* \quad * \quad * \quad *
\]

During the early years of the war, although Portugal professed its neutrality, it nevertheless continued to assist the British whenever and wherever it could against revolutionary France because Portugal did not wish to jeopardize its long-standing beneficial commercial relationship with Great Britain. The French took a dim view of this duplicitous behavior and, after Spain joined France in an offensive alliance in August 1796 and declared war on Great Britain in October, Portugal became vulnerable to attack by Spain and France. Moreover, because Portugal’s treasury could not afford the extraordinary financial burden of a French-Spanish military strike and the obligatory indemnity that would surely follow, Portugal entered into

\(^{29}\)See “1799/1800. Diverse facturen over 39588 karaat Diamanten,” GAA 1455/1210/pp. 1-8; and “Facturen over Diamanten do 1799/1800,” GAA 1455/1210/pp. 17-30, passim; and H & Co. (Lon.) and I & Co. (Ams.) 6 and 17 Feb, 20 Mar, 10 and 14 Apr, 15, 19 and 26 May, 12 June, 3 July, 16 Oct, 10 Nov, and 25 Dec 1801, GAA 1455/23/pp. 60, 62-63, 72, 83-87, 89, 92-93, 95, 101, 104, 156, 163 and 182, respectively; Quintella, (Lis.) to H & Co. (Lon.) 5 Mar 1801, GAA 1455/23/p. 70; and accounts in GAA 1455/121/pp. 19-30.
negotiations with Baring and Hope for a loan.30

In February 1797, the Portuguese Court authorized Messrs. William and John James Stephens, a British merchant house in Lisbon, to ask Francis Baring to arrange a loan for £1.2 million. As collateral for the loan, the Portuguese Court identified a diverse combination of Portuguese assets: Brazilian diamonds, tobacco (the “Snuff Contracts”), and the islands of Timor, Solor, Bali and Mozambique.31 Because Francis Baring believed the proposal to be “so important, extensive, & [to] embrace so many objects,” he consulted Prime Minister William Pitt who reportedly was “very favourably disposed towards the Success of the plan” but could not allow the government to be a guarantor “to the Money Lenders.”32

The proposal could not have come at a worse time for the British government. At the end of 1796, rumors had been rife that the French intended to invade Great Britain. By the third week of February 1797, depositors across the country had withdrawn enough gold from banks to cause some of the banks to stop payment in gold coin. The gold reserve at the Bank of England had fallen from less than £2 million at the beginning of 1797 to a little more than £1 million on 21 February.


31Stephens (Lis.) to Baring (Lon.) 21 Feb 1797, NP1. A19/7.

32Baring (Lon.) to Stephens (Lis.) 7 and 14 Mar, and to William Pitt (Lon.) 9 Mar 1797, NP1. A19.7, respectively.
Merchants, bankers, and government officials hurriedly called meetings to deliberate what could be done to resolve the financial crisis that pervaded the country. In the evening of 26 February – “Black Sunday” – an Order in Council was issued prohibiting the Bank of England from paying out gold. By mid-March, Parliament made the suspension of cash payments the law. English gold coins ceased to circulate as currency and could not legally be exported. British merchants who were engaged in overseas trade were especially burdened because they could make payments abroad only with bills of exchange and scarce foreign specie and bullion.33

Portugal’s political predicament only worsened. In January 1801, Spain and France concluded a secret accord to conquer and partition Portugal. In March, Spain declared war on Portugal and, in May, its troops occupied the frontier town of Olivença. By the Treaty of Madrid on 29 September, the Portuguese Court reluctantly agreed to break with Great Britain, close its ports to British ships, and pay France an indemnity of more 10 million crusados, equal to more than 11 million

guilders or about £1 million.\(^{34}\)

The indemnity was much more than the Portuguese Court could handle by itself and, in October 1801, the Court authorized the Lisbon merchants Jacinto Fernandez Bandeira and John Stanley & Sons to initiate a loan proposal to Baring Brothers & Co. Securing a foreign loan became more urgent when, despite Portugal’s initial payment to France of one million crusados in diamonds, France now insisted that the balance of the indemnity be paid in cash.\(^{35}\)

In December 1801, Henry Hope sent Pierre César Labouchère (of Hope & Co. and Baring’s son-in-law) and George Baring (Francis’s youngest son) to the Portuguese Court to negotiate a loan agreement guided by “The simple proposition:”

a Sum of money for a term not exceeding 10 years at an Interest to be agreed on; On the Security & in Anticipation of the Produce of the Farms of Tobacco & of the Customs . . . and a farther Security most essential to us – Of the Consignment & possession of all the Diamonds, as well what remains in the publick Treasury, as in depot at Rio de Janeiro & successively to arrive

\(^{34}\text{See Maxwell (1973), pp. 442-443, and Buist, pp. 387-389.}\)

\(^{35}\text{See Lab (Paris) to Baring and to H & Co. (Lon.) 5 Dec 1801, NP1. A13/3.1, ff. 92 and 93-95, respectively; Baring (Lon.) to Lab (Paris) 8 Dec 1801, NP1. A13/3.1, f. 96; “Dear Labouchère,” 12 Dec 1801, NP1. A19.8; Lab (Bayonne) to Baring (Lon.) 8 and 10 Jan. 1802, NP1. A13/3.1, ff. 103-104, and 106-107, respectively; Hope (Lon.) to Lab. (n. p.) 1, 5, 12, 25 and 26 Jan. 1802, GAA 735/321.}\)
from the Mines in Brazil during the 10 years for which the Loan is required, the (Nett) produce of the Sales whereof to be applied to the extinction of the Debt.\textsuperscript{36}

On signing the loan agreement at the end of February 1802, Labouchère confidently reported from Lisbon: “The Loan is the talk of the whole town,” and the Brazil merchants and the British Factory merchants are “extremely vexed” that the Portuguese Court had not applied to them for the loan.\textsuperscript{37} Labouchère was proud to “have effectively Secured all the diamonds” and that “Lisbon Seems in every respect to have been a very considerable gainer by the loan.”\textsuperscript{38}

Baring Brothers & Co. and Hope & Co. gained as well. Hope estimated that there were at hand 230,000 carats of rough diamonds – half in Lisbon and half in Brazil awaiting shipment to Lisbon – which he was confident would soon be in his and Francis Baring’s possession.\textsuperscript{39}

The terms of the ten-year Portuguese loan agreement with Baring Brothers & Co. (with $\frac{1}{4}$ share) and Hope & Co. (with $\frac{3}{4}$ share) called for \textit{cfl.} 13,000,000 in

\textsuperscript{36}Hope (Lon.) to Lab. (n. p.) 15 Dec 1801, GAA 735/321; and Hope (Lon.) to Insinger (Ams.) 18 Dec 1801, GAA 1455/23/p. 174.

\textsuperscript{37}Lab (Lis.) to “Dear Sirs” [Baring and Hope] (Lon.) 26 Feb 1802, NP1. A19.8.

\textsuperscript{38}Lab (Cádiz) to Insinger (Ams.) 19 Mar 1802, GAA 1455/36/p. 81.

\textsuperscript{39}Hope (Lon.) to Insinger (Ams.) 9 Mar 1802, GAA 1455/24/pp. 49-51.
Portuguese government bonds to be placed in Amsterdam and be taken away at 90 percent. Baring Brothers & Co. and Hope & Co. would receive a commission of 5 percent on the principal amount. The net sum to the Portuguese Court would therefore be cfl. 11,050,000 (£1,004,545). Moreover, the Portuguese Crown appointed Baring Brothers & Co. and Hope & Co. as its Court Bankers in Great Britain and the Batavian Republic, respectively.  

Quintella and Bandeira were authorized to deliver the diamonds to Baring and Hope in London where they would be deposited in the Bank of England until they were sold in Amsterdam by Insinger & Co., the net proceeds from which would go toward repaying the loan. Even before the ink had dried, Quintella and Bandeira had arranged to dispatch 20,000 carats of rough Brazilian diamonds to Baring and Hope and promised that more diamonds from the Portuguese treasury and from Rio de Janeiro would soon follow.

Hope appreciated the ascendant position in the Brazilian diamond trade that he, Baring and Insinger had achieved: “We are now in the same predicament as

---

40Hope (Lon.) to Lab (Lis.) 16 Mar 1802, GAA 735/321; and Hope (Lon.) to Baring (Lon.) 22 June 1802, GAA 735/1367, pp. 208-209.

41See Hope (Lon.) to Lab (Lis.) 2 and 9 Apr 1802, GAA 735/321; and Buist, pp. 390-394 and 665, n. 3.

42See Quintella and Bandeira (Lis.) to H & Co. Lon. 25 Feb 1802, NP1. A13/3.1; and Hope (Lon.) to Lab (Lis.) 2 and 13 [Cadiz] Apr 1802, GAA 735/321.
Gildemeester was, sole Vender of the Brazilian diamonds.”

* * * * *

However, Hope’s and Baring’s negotiation in Paris to purchase the large cache of Brazilian rough diamonds (reputed to weigh 55,722 ¼ carats) did not proceed as well as the negotiation had in Lisbon. From the very beginning, Laborde labored under a handicap. While his experience as a banker allowed him to identify trustworthy bankers in Paris who would facilitate the purchase of the diamonds, he was not skilled in diamond dealing. Laborde was not permitted to meet with the unnamed principal who was selling the diamonds, and he had to negotiate through his go-between or his confidential secretary. Laborde was also not allowed to see the diamonds but was assured that the diamonds were still in their original parcels with their original seals unbroken. Yet, even if he were allowed to examine the diamonds, Laborde could not himself judge their quality and value. He was, understandably, perturbed that Baring and Hope had not yet sent an appraiser from Amsterdam to work with him. Had they done so, he averred: “I may have concluded the bargain before a week is over.”

Belatedly, Baring and Hope requested that Insinger send to Paris Ruben

---

43 Hope (Lon.) to Insinger (Ams.) 30 Mar 1802, GAA 1455/24/pp. 67-68. See also, Hope (Lon.) to Insinger (Ams.) 13 and 21 Apr 1802, GAA 1455/24/pp. 73-74 and 82, respectively.

44 Laborde (Paris) to Baring (Lon.) 11 Feb 1802, NP1. A13/3.2, f. 120c.
Harmanus Keyser to assist Laborde in valuing the diamonds. Keyser had for decades worked closely with both Hope and Insinger, and because of his market experience, he also became Hope’s and Insinger’s indispensable confidential representative in appraising diamonds. But, much to everyone’s surprise, Keyser refused the commission to go to Paris for reasons of family, religious, and political considerations. Perplexed by this explanation, Hope sought to salvage the mission and asked Keyser to recommend a skillful and trustworthy person to take his place “either from his own tribe, or point out a person among the Christian Brokers.” However, this, too, did not happen.45

Laborde, Baring, and Hope received more troubling news. From the outset of the negotiation, Laborde had been led to believe that he was the only bidder for the cache of diamonds in Paris. But, in February 1802, at the home of the principal, Laborde was informed that, although he was the preferred buyer, a “negotiation has begun with some person in H[olland],” and that the asking price of the four qualities of diamonds being offered for sale was set at 2,700,000 French livres tournois.46

Undaunted, Laborde professed to Baring that he could buy the diamonds for much less: “I have no doubt, that a considerable reduction may be obtained, by

45Hope (Lon.) to Insinger (Ams.) 19 and 23 Feb, 2, 5 (for quote) and 9 Mar 1802, GAA 1455/24/pp. 35, 38, 43-44, 46-47 and 49-51, respectively.

46Laborde (Paris) to Baring (Lon.) 11 Feb 1802, NP1. A13/3.2, f. 120c.
making a proposal, and then dropping the negotiation” and “if refused they may
dispose of small parcels, but they will not find a purchaser of the whole, – and they
never will have the patience of keeping the objects a year or two.”

Laborde also wrote to Baring that he had been promised “that no bargain
should be made with others without notice being given to me,” and that “we had time
for negotiation” to “remonstrate” the price of the diamonds. Baring concurred: “if
the expectation on the other side should go as far as two million, there would be the
time to correspond on the subject, under a firm conviction that there cannot arise any
competition against you at such a price.”

Yet, in early March, Laborde was informed that the prospective buyers “were
English people” who were at the principal’s house:

for eight hours consecutively, and that they had made a compleat examination
of the objects . . . as to count them one by one – and had divided each class into
several classes – they approved very much of the assortment, confessing it
Superior in point of quality to those generally thrown into the market by the
givers – these people told him that for the last seven years, no objects of that

47Laborde (Paris) to Baring (Lon.) 25 Feb 1802, NP1. A13/3.2, f. 125.
48Laborde (Paris) to Baring (Lon.) 1 Mar 1802, NP1. A13/3.2, f. 126.
49Quotation cited in Laborde (Paris) to Baring (Lon.) 3 Mar 1802, NP1. A19.8. Italics
added.
sort had been disposed of by the givers, so that there was a very great demand for them.  

A frustrated Laborde turned his attention to the arithmetic of the transaction. He calculated that the cost to Baring and Hope would be if they were to purchase the diamonds at the asking price of \( \text{FF} \ 2,700,000 \). He wrote that the current value of the pound Sterling on the Paris exchange had fallen by about 7½ percent from \( \text{FF} \ 24 \) to \( \text{FF} \ 22.10 \) per pound Sterling. He estimated the commission and brokerage at 2½ percent and a year’s interest at 6 percent. Taken together, the additional charge of 16 percent upon \( \text{FF} \ 2,700,000 \) would increase total cost for the diamonds to \( \text{FF} \ 3,132,000 \).

Therefore, depending on the fluctuating exchange rate, the cost to Baring and Hope could range from \( £.130,500 \) to \( £.141,719 \).

Moreover, Laborde consulted a prominent jeweler “who had done all the business at my family” about the current state of the diamond trade in Paris. The jeweler told him that the gossip among jewelers was that Portugal intended to pay off its obligation to France by selling many millions worth of its Brazilian diamonds, and

\[ \text{See Laborde (Paris) to Baring (Lon.) 3 and 6 Mar 1802, NP1. A19.8, and A13/3.2, f. 128.} \]

\[ \text{See Laborde (Paris) to Baring (Lon.) 3 Mar 1802, NP1. A19.8; Hope (Lon.) to LAB (Lis.), and Insinger (Ams.) 16 Mar 1802, GAA 735/321 and 1455/24/p. 56, respectively. The exchange rates variously noted in the correspondence were: @ \( \text{ff} \ 24 = £.130,000 \); @ \( \text{ff} \ 22.50 = £.139,200 \); @ \( \text{ff} \ 22.15 = £.141,400 \); & @ \( \text{ff} \ 22.10 = £.141,719 \). Henry Hope’s calculation was pretty much the same: “\( \text{ff} \ 2,700,000 \) for the parcel which with charges, Int. & high Exch. Will stand above 3 mill francs or above £.130,000 Stg.” Hope (Lon.) to Insinger (Ams.) 16 Mar 1802, GAA 1455/24/p. 56.} \]
that once those diamonds entered the market their price would fall. Thus, Laborde cautioned Baring: “I would be in no hurry,” to pay the current asking price for the diamonds.\textsuperscript{52} He also told the principal’s confidential secretary that “that anybody that would take those objects at his prices, must be a looser.”\textsuperscript{53}

The final blow to the Hope-Baring Paris diamond operation was struck when Laborde was informed that the principal had “concluded his bargain” with the English people for more than \textit{ff. 2,700,000}, a sum guaranteed by leading banking houses in Paris. Laborde confessed to Baring that, although the identity of the buyers could not be revealed to him until the transaction was completely executed, at least one the buyers was considered to be “one of the greatest jewellers or merchants in that line that ever existed who had compleat Knowledge of the objects, and had much better information from Lisbon, and upon the particulars of the trade than I seemed to have.”\textsuperscript{54}

But even before Laborde’s report had reached London, Baring and Insinger had independently discovered that the English buyers were Jews from London: “a Cohen,
a Goldsmid, a Gompertz” and a “Salomons,”55 and that they were “formidable from
the powers they possess as they have money.”56

Clearly, Baring and Hope had mismanaged the Paris operation. They had
overestimated Laborde’s talents, and underestimated the determination that other
diamond merchants would have to secure the cache of “very choice” stones. Baring
and Hope were unwilling to blame themselves or Laborde for bungling the Paris
diamond negotiation. Yet, Baring was quick to blame Ruben Harmanus Keyser for his
refusal to travel to Paris to appraise the diamond cache. He was convinced that: “The
money [for the diamonds] must come from Goldmid of this place [London], who is a
near relation of the Keysers, a circumstance we must never lose sight of; & if it was
not for the confidence our Friends appear to place in Keyser, we should be inclined to
suspect foul play. . . . We shall amuse, but never trust Goldsmid.”57

Henry Hope – much more experienced than Francis Baring in the way the

55Laborde (Paris) to Baring (Lon.) 8 Mar 1802, NP1. A13/3.2, f. 130a; and Hope (Lon.) to
Lab (Lis.) 16 Mar 1802, GAA 735/321.


57Quotation in B & Co. (Lon.) to I & Co. (Ams.) 15 Mar 1802, GAA 1455/2/pp. 45-46.
Baring must have been alluding to Asher Goldsmid, son of Aron Goldsmid (founder of Aron
Goldsmid Son.), who married Rachel, the daughter of Alexander Isaks Keyser. In 1787, Asher
Goldsmid became a broker in the firm [Abraham] de Mattos & [A. I.] Keyser, bullion brokers to the
Bank of England. Baring believed that Ruben Harmanus Keyser was a member of the family of
A. I. Keyser and, therefore, related to the Goldsmid family. See Cope (1942), pp. 180-206, and Paul
H. Emden, “The Brothers Goldsmid and the Financing of the Napoleonic Wars,” Transactions. The
Amsterdam diamond market worked – was more cautious in his comments and was not willing to alienate Keyser upon whom he and Insinger had become so dependent. Hope did not “suppose that any ill will towards us lurks under” Keyser’s decision not to journey to Paris. Hope now expected Keyser to appraise the diamonds forthcoming from the Portuguese Court under the loan agreement and to facilitate their sale under Insinger’s supervision. The marketing of the Portuguese loan diamonds would take place “As soon as the first parcel arrives . . . We wish to get the Start on the Speculators, who have gained the Start on us at Paris.”

* * *

The details of how that Paris diamond transaction evolved are fragmentary and complex. There is no information about how “a Cohen, a Goldsmid, a Gompertz,” and a “Salomons,” gentlemen of distinguished London Jewish mercantile families, came to discover the availability of the diamond cache in Paris, and there is also no information about how they combined their knowledge and wealth to make the purchase. Yet, it is reasonable to surmise that these Londoners not only knew each other very well but also trusted each other very much. They were linked together by the bonds and constraints of a particular traditional business, religious culture, and by

---

58 Hope (Lon.) to Insinger (Ams.) 16 and 30 Mar 1802, GAA 1455/24/pp. 55 and 67-68, respectively.

59 Hope (Lon.) to Lab. (Lis.) 16 Mar 1802, GAA 735/321.
marriage. In general business transactions with non-Jews, they employed several different languages but, when dealing with each other, they invariably employed Judendeutsch, an intimate and unique language which only they could understand.\textsuperscript{60}

The reference to “a Gompertz” could only mean Salomon Barent Gompertz (1729-1807), an established London general merchant and leading international diamond merchant of Dutch Jewish ancestry. His diamond transactions with Hope & Co. alone numbered in the tens of thousands of carats and were valued in tens of thousands of English pounds Sterling.\textsuperscript{61} His second marriage to Leah/Lydia Cohen, the daughter of Benjamin Cohen of Amersfoort and Amsterdam, not only afforded him greater access to wealth and respectability but also made him a relation to Levy Barent Cohen of London, who undoubtedly was the “Cohen” who appraised and bid on the diamonds in Paris.

Levy Barent Cohen (1747-1808), who moved from Amsterdam to London in 1770, is best remembered for the social dynasty he founded, and it is impossible to read the story of the most prominent members of the English Jewish community

\textsuperscript{60}Judendeutsch was spoken German written in the Hebrew script and frequently referred to as Yiddish. See Steven M. Lowenstein, “The Shifting Boundary Between Eastern and Western Jewry,” \textit{Jewish Social Studies}, 4:1 (Fall, 1997), 60-78.

\textsuperscript{61}For Salomon Berend Gompertz’s diamond transactions with Hope & Co. during 1770-1792, see GAA \textit{Grootboeken} 735/998-1009, 1011-1020, and \textit{Journalen} GAA 735/1152, 1265-1276, 1278-1281, 1293-1294 and 1877-1879.
during the nineteenth and twentieth centuries without a brief mention of him. His several sons and daughters married well. For example, Joseph Cohen married Marion/Marianne Joachim, the daughter of a noted London bill broker Elias Joachim and Esther Goldsmid. Esther’s brothers were Benjamin and Abraham Goldsmid (the famous London financiers) and her sister was Polly Goldsmid, who was married to the respected and wealthy London Jewish general merchant Lyon de Symons (1743-1814). But, perhaps, the most memorable marriage would be that of Levy Barent Cohen’s daughter Hannah/Hanna to Nathan Mayer Rothschild, who with his brothers later created a world-renown banking and financial empire. Although Levy Barent Cohen in his own right was a wealthy and well-established international merchant in commodities and textiles, until recently, very little was known about his diamond trading activities. From 1781 to 1794, his diamond transactions with Hope & Co. alone exceeded an annual average of 12,000 carats valued at £15,000.62

The member of the extensive Goldsmid family who joined Cohen and Gompertz in Paris was most likely someone from the firm founded by the patriarch Aron Goldsmid (d.1781), a Dutch Jew who had settled in London before 1750. Aron Goldsmid Son was a general mercantile house that on occasion also traded in

---

62 For Levy Barent Cohen’s diamond transactions, see Hope & Co. Grootboeken GAA 735/1009-1022 and Journalen GAA 735/1152, 1265-1276, 1278-1281, 1293-1294 and 1877-1879.
diamonds. After Aron Goldsmid’s daughter Sarah married Daniel Eliason, a well-known diamond merchant and expert on foreign exchange matters, the firm became known in 1790 as Aron Goldsmid Son & D. Eliason. George Goldsmid (1743-1812), Aron’s eldest son, married Rebecca who was the sister of Benjamin Cohen. Thus, George Goldsmid was Levy Barent Cohen’s cousin, Salomon Barent Gompertz’s uncle, and brother-in-law to Lyon de Symons. It is reasonable to assume that George was the “Goldsmid” who went to Paris to evaluate the purchase of the diamonds.63

Furthermore, Baring, Hope and Insinger received intelligence in mid-March 1802 that this mishpocheh of Cohen, Goldsmid and Gompertz had merely been acting on behalf of Solomon Salomons (1726-1807), a London-born wealthy Jewish merchant. Although he had not been known personally to trade in diamonds, other members of his extended family had. He had married Shephrea Salomons (d. 1795), the daughter of his brother, Phillip Salomons (d.1780), who had married the daughter of Benedict Gompertz of Nimeguen. Solomon Salomons’s daughter, Rebecca (1775-1839), was married to Lyon Gompertz (1763-1848), the nephew of Salomon Barent Gompertz (1729-1807) who had married Leah/Lydia, daughter of Benjamin Cohen. Solomon Salomons had financial dealings with Eleazer Phillip Salomons

63 For diamond transactions of Aron Goldsmid Son, and Aron Goldsmid Son & D. Eliason, see H & Co., Grootboeken GAA 735/1004-1011.
(d.1807), who was both his nephew and brother-in-law and had for many years traded in diamonds with Hope & Co.\textsuperscript{64}

The introduction of yet another prominent London Jewish mercantile house into the mix of the Paris diamond competition provoked Francis Baring to comment disparagingly that “Salomons has distinguished himself before on 2 or 3 occasions by his avarice, or greediness, to obtain the object of his pursuit, in paying more than the value, even for objects of considerable value.”\textsuperscript{65}

Later that March, several additional pieces to the Paris diamond puzzle were added when Insinger informed Laborde that Solomon Salomons & Co. was actually in partnership with Lyon de Symons, who had occasionally traded modest amounts of diamonds with Hope & Co. Insinger also revealed that a portion of the Paris cache of diamonds had already been purchased by Rundell & Bridge, a distinguished London jeweler, and by two French banking houses.\textsuperscript{66} Thus, the net amount of carats Solomon Salomons and Lyon de Symons had received for themselves in Paris were, in fact, far fewer than the originally reputed 55,722 ¼ carats.

\textsuperscript{64}For Eleazer Phillip Salomons’ diamond transactions, see Hope & Co. \textit{Grootboeken} GAA 735/999, 1001, 1004 and 1016-1021. For financial undertakings of Eleazer Phillip Salomons and Solomons Salomons, see Cope (1983), pp. 58, 83, 101, 139 and 162, and (1942), pp. 198 and 203.

\textsuperscript{65}B & Co. (Lon.) to I & Co. (Ams.) 19 Mar 1802, GAA 1455/2/p. 48; and Hope (Lon.) to Insinger (Ams.) 19 Mar 1802, GAA 1455/24/p. 58.

\textsuperscript{66}See Laborde (Paris) to Baring (Lon.) 22 Mar 1802, NP1. A13/3.2, f. 131. For Lyon de Symons’ diamond transactions, see Hope & Co. \textit{Grootboeken} GAA 735/1020 and 1022.
Possessing a large cache of diamonds and having the ability to market them, required skill sets which, despite their extended familial relationships, Solomon Salomons and Lyon de Symons did not have. They did not have in place an organized and sophisticated client network that could market for them tens of thousands of carats of diamonds. Moreover, they must have been aware that the Portuguese diamond loan contract had been finalized and that very soon Hope and Baring would control the flow of those diamonds into the Amsterdam market. Therefore, in April, they not surprisingly offered their diamonds on consignment to Hope & Co. against an advance of about 75 to 80 per cent of their value.67

Hope explained the situation to Insinger:

They are aware of the advantages that would result to the trade in general & themselves in particular by concentrating the whole of their business with us, who they know are possessed of the whole branch, as by this means they would Secure the Sale of theirs in common with ours, & perhaps with greater advantage than they could expect in competition with us, the question is whether they can afford to sell at prices we can obtain & submit to, which we much doubt, & cannot decide upon, until [sic] we know their assortments &

67S. Salomons & Co. & L. de Symons (Lon.) to H & Co. (Lon.) 19 Apr 1802, and H & Co. (Lon.) to S. Salomons & Co. & L. de Symons (Lon.) 20 Apr 1802, GAA 735/321, respectively. See also, Hope (Lon.) to Insinger (Ams.) 20 Apr 1802, GAA 1455/24/pp. 86-88.
the prices they fix in the different weights.68

Later that month, Hope happily reported to Insinger that Solomon Salomons & Co. and L. de Symons had agreed “on terms & conditions to our Satisfaction” to a “Consignment of Diamonds” in return for an advance of £40,000 that would “be reimbursed with interest at 5pCent out of the first Money arising from the Sales.” Their agent in Paris would personally deliver the diamonds to Insinger & Co. in Amsterdam where Ruben Harmanus Keyser would appraise and fix their market value: “We have their permission to sell them as we shall do our own, & we have promised to give them a fair share in the Sales we shall make, & we request to this that Kyzer [sic] may be instructed to sell of these assortments indiscriminately with those of our own as occasion may offer.” Hope complimented Salomons: “He is esteemed one of the richest Jew houses here, & had shewn great ease in this adventure which is paid for in full. . . . the Character of old Mr. S– he is very strong minded & firm in his transactions . . . and we consider him as a very able experienced merchant.”69 But Hope also confessed that Salomons and de Symon “to a certain

68Hope (Lon.) to Insinger (Ams.) 16 Apr 1802, GAA 1455/24/p. 80.

69For quotes, Hope (Lon.) to Insinger (Ams.) 21 Apr 1802, GAA 1455/24/pp. 83-84; Hope (Lon.) to Robert Voûte (Ams.) c. 20 Apr 1802, GAA 735/321; and H & Co. (Ams.) to I & Co. (Ams.) 25 Nov 1802, GAA 1455/24/pp. 235-236.
degree they are at our mercy.”

More than a month elapsed before Judah Phillip Salomons (d.1812) arrived in Amsterdam with the diamonds belonging to Solomon Salomons and Lyon de Symons. Judah Phillip Solomons was both the nephew of Solomon Salomons and the brother of Eleazer Phillip Salomons, and it is plausible that he might also have been the “Salomons” who had accompanied Cohen, Goldsmid and Gompertz to Paris to appraise and buy the diamond cache.

As more details of the purchase became known in London and Amsterdam, the cache of diamonds would be less than originally reputed to be 55,722 ¼ carats: more than 3,000 carats had simply gone missing in Paris; the French who facilitated the transaction in Paris took away 20,119 carats; the London jewelers Rundell & Bridge acquired about 2,200 carats; and Levy Barent Cohen had sold an undisclosed quantity of diamonds from his share of the purchase but not through Insinger & Co. Moreover, the cache of diamonds that Solomons and de Symons had personally taken away from the diamond sale in Paris and which Judah Phillip Solomons delivered to Amsterdam was reported to weigh only 34,000 carats – “a circumstance they cannot

---

70 See Hope (Lon.) to Lab (n.p.) 16 (for quote) and 27 Apr 1802, GAA 735/321, respectively.

71 Hope (Lon.) to Insinger (Ams.) 1 June 1802, GAA 1455/24/pp. 119-121.

72 Hope (Lon.) to Insinger (Ams.) 30 July, 10 and 14 Sept 1802, GAA 1455/24/pp. 151-152, 179-180 and 182-183, respectively.
account for.” Yet, when Keyser and Insinger examined the cache of diamonds they verified the weight to be only 32,881 and one-eighth carats.

Beginning in June 1802, Insinger and Keyser marketed the diamonds belonging to Salomons and de Symons to the satisfaction of all parties involved. By May 1803, Insinger had already credited Baring and Hope with the £40,000 (plus interest) which they had advanced to Salomons and de Symons.

* * *

Following on the loan agreement, the Portuguese Court delivered 114,332 carats of rough Brazilian diamonds to Baring Brothers & Co. in London which were

---

73 Hope (Lon.) to Insinger (Ams.) 21 Apr 1802, GAA 1455/24/p. 84. See also, Hope (Lon.) to Insinger (Ams.) 4 May 1802, GAA 1455/24/p. 100; and Lab (Paris) to I & Co. (Ams.) 10 and 23 May 1802, GAA 1455/36/pp. 89 and 86, respectively.

74 Hope (Lon.) to Insinger (Ams.) 11 and 8 June 1802, GAA 1455/23/pp. 98-99, and GAA 1455/24/pp. 122-123, respectively.

75 Hope (Lon.) to Insinger (Ams.) 18 and 29 June, 20 July, 17 and 31 Aug, 14, 21 and 28 Sept, 5, 15 and 19 Oct, and 9 Dec 1802, GAA 1455/24/pp. 128-129, 140-141, 148-149, 169-170, 175-177, 182-183, 186, 190, 205-206, 220, 226-227 and 241-242, respectively; H & Co. (Lon.) to I & Co. (Ams.) 21 and 28 Sept, 25 Nov, and 9 Dec 1802, GAA 1455/24/pp. 193, 197-198, 235-236 and 241-242, respectively; Baring (Lon.) to H & Co. (Lon.) 29 Oct 1802, GAA 735/512/p. 3; I & Co. (Ams.) to H & Co. (Ams.) 8, 10, 17 and 24 Dec 1802, 5 and 12 Mar, 12, 16 and 18 Apr 1803, GAA 735/121; letters to H & Co. (Ams.) 30 Nov, 7 Dec 1802, GAA 735/512, pp. 28 and 30-31, respectively; and to I & Co. (Ams.) 7 Dec 1802, GAA 735/512, pp. 31-32. For diamond transactions in 1803, see GAA 1455/1210/pp. 31-42, and “Memorialen,” GAA 735/2138, respectively.

76 See letters to H & Co. (Ams.) 3 May, to S. Salomons & Co. and L. de Symons (Lon.) 5 May; and to I & Co. (Ams.) 10 May 1803, GAA 735/512, pp. 97, 108-109 and 99-100, respectively.
then shipped to Amsterdam to be sold. In 1803, Francis Baring sent a British man-of-war to collect 105,000 carats from the Portuguese Court which had arrived from Rio de Janeiro. But before the man-of-war reached Lisbon, two mail boats each carrying 15,000 carats of diamonds had already set sail for delivery to Baring Brothers & Co. in London. While the first mail boat safely reached its destination, a French privateer captured the second mail boat and sold the diamonds in Bordeaux. Thus, in 1803, Baring Brothers & Co., in effect, received a total of only 90,000 carats.

Throughout 1804, reports circulated that parcels of Brazilian diamonds were being sold in Paris and Amsterdam below the prices offered by Baring and Hope. Pierre César Labouchère blamed the Portuguese Court and repeatedly expressed his concern about this situation to John Stanley, Hope & Co.’s merchant liaison in Lisbon: “I cannot conceal our surprise at the unanticipated competition, if, or as must happen, without the knowledge of the [Portuguese] Court. This interloper trade ought to be checked effectively, and must be made by us the subject of a formal complaint.

---


78Lab (Ams.) to de Vasconcellas & Souza (Lis.) 19 Jan 1804, GAA 735/1768, p. 68; and see Buist, pp. 404-406.
that it cannot occur again.’’ But it did. Labouchère again wrote to Stanley:

“Diamonds have been dropping into the market. . . . I need not tell you how prejudicial this is to our Sales, and how little it is in our power to prevent the bad effects of a competition of this Kind.’’

Baring, Hope, Insigner, Keyser, Laborde and Labouchère had been outmaneuvered by London Jewish diamond traders and other unidentified traders in Lisbon and Paris. Together they prevented Baring and Hope from cornering the Brazilian diamond market. However, Baring and Hope could nevertheless console themselves that, in 1803-1804, they had sold slightly more than 115,000 carats of diamonds for a return of slightly more than $3.14 million (£285,000).

The European war continued to take a toll on international trade and the trade in diamonds. The double constraints imposed by Napoleon’s Continental System (1806) and Great Britain’s Orders in Council (1807), negatively affected, in particular, Portugal’s international trade. At the end of 1807, the Portuguese Court fled to Rio de Janeiro taking with it its gold and diamonds. Subsequently, French

---

79 Lab (Ams.) to Stanley (Lis.) 19 Jan, 2 (for quote) and 16 Feb; and to Baring (Lon.) 17 Feb 1804, GAA 735/1768, pp. 71, 85, 103 and 107, respectively.

80 Lab (Ams.) to Stanley (Lis.) 2 and 19 July, 16 Aug, 8 Oct (for quote) and 23 Nov 1804, GAA 735/1768, pp. 251, 288, 328, 413 and 486, respectively.

81 Data compiled and computed from H & Co. Grootboeken GAA 735/1032-1033, 1305-1306, and Journalen, GAA 735/1768.
troops entered Lisbon; the rulers of Spain vacated the throne and Napoleon chose his brother to rule; and the British, fearing that the French presence would interrupt its overseas Latin American trading activities, sent expeditionary forces into the Peninsula. Arthur Wellesley (the 1st Duke of Wellington) soon took command and expelled the French.

Not surprisingly, even during the course of the Peninsula War, tens of thousands of rough Brazilian diamonds found their way from Rio de Janeiro to Baring Brothers & Co., Hope & Co., and to London Jewish merchants.

END OF ESSAY