

THE ROYAL EXCHANGE

Read by Anthony Moss, M.A.

7 June 1999

Since the foundation of the City the site of the Royal Exchange has been of significance. The streets which today radiate out from the Bank junction were already defined in Saxon times, with names which reflected their function. Cheapside comes from the Saxon word meaning the main market place of a city. In the early 14th century trade with Italy gave its name to Lombard Street.

Bargains were struck and negotiated in shops or homes, in taverns, and on the streets, above all in Lombard Street. But there was no central market or exchange.

By way of contrast there was an exchange in the great port of Antwerp in 1515 which became more sophisticated when a new one was built in 1531. Men guaranteed credit there and raised loans. The exchange had an open courtyard surrounded by arcades two or three storeys high, with small shops on the upper levels.

Richard Gresham, a mercer of London, travelled abroad and dealt in cloth and tapestries for Cardinal Wolsey and later for King Henry VIII at Hampton Court. He quickly realised Antwerp's importance for trade.

He had been Master of the Mercers' Company and was Lord Mayor in 1537-38. He urged on Thomas Cromwell, then Lord Privy Seal, that a Bourse be set up in London. He thought it would cost "£2000 and more... I doubt not but to gather £1000 towards the building before I depart out of my office. There shall lack no good will in me".

Nothing came of this initiative although four years earlier the King had recommended that the merchants should trade in Leadenhall rather than in the open in Lombard Street.

Sir Richard's second son, Thomas, was also a mercer, apprenticed to his uncle John, and became a member of the Mercers' Company in 1543. He had attended what is now Gonville and Caius College, Cambridge, and then engaged in business in France and Flanders. His London office was in the family house in Lombard Street. In 1552 he was appointed Royal Agent for King Edward VI and later for Queen Mary. He often traded in Antwerp. As Royal Agent he raised loans for the monarch and negotiated rates of interest.

In 1558 with Queen Elizabeth on the throne, and having the support of William Cecil,

later Lord Burghley, Thomas Gresham's achievements, including paying off the debts of the Crown, were recognised by a knighthood.

In the 1560s Gresham built up his estate in England. He purchased Osterley and he built a great house around a courtyard in Bishopsgate. The house was for himself and his family, his wife Anne and their only son Richard, so named after his grandfather.

Sir Thomas had known of the talk about having a bourse in London and he was surprised that a way had not been found to build one.

It was in 1564 that personal disaster struck when his only legitimate son Richard died suddenly. It may be that this stirred Sir Thomas to commission a bourse so as to continue the family name. Alternatively, it may have been the thought of the rentals which would flow from a bourse.

So, in 1565 he proposed to the City that a Bourse or Exchange be established, and this time the City agreed. An offer to purchase a site in Lombard Street owned by the Merchant Taylors was refused. In the end a site north of Cornhill was purchased from the Dean and Chapter of Canterbury. It cost £3532.17.2d and involved the demolition of 35 to 40 houses from which there was a sale of building materials which raised £478.3.4d. Money was also provided by 742 individuals and 20 livery companies, some reluctantly, only after being summoned to appear before the Lord Mayor and Court of Aldermen.

Work started in May 1566 and Gresham wanted the best possible workers. He obtained permission from the Corporation to employ foreigners and he had in mind as his architect and main contractor Hendryck van Paesschen whom he knew from his time in Antwerp.

In June Gresham laid the foundation stone in the presence of some aldermen. They each laid a piece of gold which the workmen pocketed. This got the building off to a good start and they worked so well that most of the building was completed by 1569. But it was not all plain sailing. London's bricklayers objected to the employment of foreigners and so an industrial dispute started which had to be settled by the Court of Aldermen. Gresham tackled the problem, it seems, by making an agreement so that the work was shared between the locals and the foreigners. The Warden of the Bricklayers' Company was summoned to appear before the Lord Mayor and to bring the ringleader of the London bricklayers. The latter was rebuked by the Lord Mayor "for his very lewd demeanour towards Hendrick, Sir Thomas' chief workman there". What was the plan of this first Exchange? We have a clear picture from a drawing which has survived in Lord Salisbury's archive at Hatfield. The Exchange was modelled on the one in Antwerp. There was an open courtyard, with arcading, and

shops above. It had a bell tower to alert members to the hours of trading, topped by a golden grasshopper, the Gresham family crest.

The first floor facade was adorned with niches which were intended to contain statues of kings and queens from William the Conqueror to Elizabeth. But these statues were only added later. The upper storey was known as the Pawn, after the Dutch word for an arcade. The shops, and there were some 100 of them, varied in size and some were only 5 feet wide by 7½ feet long.

Queen Elizabeth visited the new building in 1571. She was entertained lavishly in Gresham's town house in Bishopsgate and she ordered her herald to sound the trumpet and proclaim the name of the bourse to be "the Royal Exchange, and so to be called henceforth and not otherwise."

The royal opening boosted the Royal Exchange's standing and shops let quickly. Items for sale included mousetraps, birdcages, shoeing horns, lanthornes,... and items from apothecaries, booksellers, goldsmiths, and " all kind of rich wares and fine commodities..... Unto the place many foreign princes daily send, to be served of the best sort".

The new Exchange was the pride of London and much admired by foreign travellers. However Sir Thomas Gresham had been unable to perpetuate his family name because the Queen had called it the Royal Exchange. He was not to enjoy its success, his good fortune, and well deserved position for long. On 21 November 1579 he fell down in his kitchen, after a stroke, and died two days later. He was buried close to his son Richard in St Helen's Bishopsgate.

The City probably expected to have full control of the Royal Exchange after Sir Thomas' death. But it was not to be. Sir Thomas left the Exchange to the Corporation and the Mercers' jointly; subject to his widow receiving the rental income for life. On her death the rent from the Royal Exchange was to finance Gresham College with its seven professors which was to be established in his house in Bishopsgate.

The Will was contested by the widow as it made no provision for her sons by an earlier marriage but she was unsuccessful and she retaliated by failing to repair the Royal Exchange. After her death the Corporation of London and the Mercers' Company formed a Joint Grand Gresham Committee to run the Exchange.

In 1583 the earliest surviving life insurance policy known of in England was drawn up in the Royal Exchange. It ended with the words "God send the said William Gibbons helth and long life" and it gave rise to a legal dispute. The insurers were to

pay out if William Gibbons died within a year. He died after 362 days. The insurers said a year consisted of 12 months of 28 days and so there was no liability. However the court said a year meant a year and so the insurers were liable.

Daniel Lupton wrote a satirical book on London in 1632 in which he advised merchants to “keep their wives from visiting the upper roomes too often, lest they tire their purses by attyring themselves”.

The statues for the first floor niches were finally installed by the 1640s but the statue of King Charles I was not to remain undisturbed for long. Immediately the king was beheaded the statue was mutilated and an inscription set up beneath it: “Exit Tyrannus Regum Ultimus”, which was followed by his date of death.

After Cromwell’s death, and just before King Charles II’s accession, the inscription was obliterated. On 16 September 1660 Samuel Pepys tells us that "Yesterday one came with a ladder to the great Exchange and wiped with a brush the inscription that was upon King Charles and there was a great bonfire made in the Exchange and people cried out "God bless King Charles the Second!"

Six years later Samuel Pepys also tells us of the Great Fire of 1666, how it "did run down the galleries, filling them with flames...filling the court with sheets of fire." Six days later, says John Evelyn, he clambered over "heaps of yet smoking rubbish....The ground under my feet so hot that it even burnt the soles of my shoes." The statues were all lost except that of Sir Thomas Gresham in the corner. Merchants from the Exchange had to be temporarily relocated to Gresham College, one of the few undamaged buildings.

The fire had hardly been brought under control when Charles II, in the interests of public morale, issued a proclamation that London would be rebuilt better than before. Christopher Wren and Robert Hooke, both of whom had been professors at Gresham College, produced plans for a revised city layout. Their plans suggested replacing the tangled network of streets with a rationalised orderly arrangement. Hooke wanted to move the Exchange to the riverbank, next to the Customs House while Wren wanted it to be at the centre of the City, almost as important as St Paul's. However, these plans were not realised.

The three City Surveyors reported that the Exchange could be restored, using what was left, but their advice was not followed. The City petitioned King Charles II for 300 tons of Portland stone for a completely new building to be built to Edward Jarman’s plans, and the King agreed. He came to the Royal Exchange on 23 October 1667 to lay the first stone of the first pillar. He also gave the workmen £20 and was entertained by the City and the Company.

Once work was started it proceeded rapidly but there were difficulties. The King, encouraged by Wren, wanted open porticos on all four sides. The north and south sides were clear but the other two were not. The owners of the land affected held out for unreasonable compensation but the Committee called their bluff and went ahead without them.

The second Royal Exchange more or less followed Gresham's original structure. The Cornhill front now had 13 bays, three of which in the centre were brought forward and formed a triumphal entrance. The royal arms were placed above the central archway and on either side statues of Charles I and Charles II were set in aedicules with broken pediments. The tower over the entrance was crowned by the Gresham grasshopper.

The statues for the inner courtyard were carved by several sculptors including Grinling Gibbons and portrayed monarchs from Edward I to Charles II. Subsequent statues were added later including those of George I and George II by Rysbrack.

Once the building was complete trade soon began to flourish. Leases on the shops were granted for 11 years at rents of between £35 and £70 a year, and a fine. In the Exchange each nation and trade had its own particular position. A plan shows the locations of traders from places as far afield as Jamaica, Norway, Virginia and Armenia, and trades such as ship-brokers, silkmen and dyers.

However, by 1713 Richard Steele, an essayist, wrote of "the mumpers, the halt, the blind and the lame: your venders of trash, apples, plums, your raggamuffins, rake-shames, and wenches have justled the greater number of honourable merchants, substantial tradesmen, and knowing masters of ships out of that place".

By the end of the eighteenth century it was becoming harder to let shops on the Pawn to the mercers and haberdashers who had once been happy to be tenants. Fashionable shopping had moved to St James and Mayfair. Businesses began to move in and take over the space in the upper storeys, providing office support for those trading in the courtyard.

Among the first to come was Royal Exchange Assurance. Originally marine insurance had been exclusively in the hands of private underwriters. However by 1720 the Royal Exchange Assurance had opened on the first floor, formerly the Pawn, and for the convenience of clients it also opened two shops on the east side at street level.

Lloyds of London arrived in 1774 and stayed until 1928 when they moved to their

own premises.

Between 1819 and 1824 the clock tower was rebuilt and other maintenance carried out, but only 14 years later, on 10 January 1838 disaster struck again. There was another fire which was not spotted in time to save the building. The flames were such that they could be seen from 24 miles away at Windsor in one direction, and 18 miles away near Epping in the other.

Although there were 38 entries in a competition for a design for a new Exchange none found complete favour, although three were commended and awarded prizes. The Rebuilding Committee then decided to ask five architects to take part in a second competition but only C R Cockerell and William Tite did so. Cockerell's design was seen as magnificent and Tite's was dignified and sensible. Tite won by 13 votes to 5.

Additional land was acquired and this involved demolition of buildings including the church of St Bartholomew-by-the-Exchange. The whole corner site between Cornhill and Threadneedle Street became available. The portico was modelled on that of the the Pantheon in Rome and there were to be eight huge Corinthian columns. One feature was the pediment in which freestanding figures by Richard Westmacott were inserted. In the centre a figure representing Commerce holds the Charter of the Royal Exchange, attended by the Lord Mayor and surrounded by merchants from every corner of the globe.

On 17 January 1842 Prince Albert laid the foundation stone and two years later the royal opening was a state occasion. The procession was so long that the front reached the Royal Exchange as Queen Victoria's coach reached Temple Bar.

A Mrs Wilkinson, who went to the opening, wrote her sister a letter telling how she had got up that day at 4 a.m. Her hairdresser came at 6.30 , and her children had to reach the window in Cornhill from which they were to watch by 7a.m. She wore pink satin with blonde lace and Mr Wilkinson wore full court dress with a claret coloured velvet coat; they reached the Exchange before 10.

The Lord Mayor lent a throne and other suitable furniture from across the road at the Mansion House. The Lord Mayor, Aldermen and members of the Corporation and the Gresham Committee formed a semicircle round the Queen. An Address was read and the Queen replied.

Mrs Wilkinson said that by now she was exceedingly hungry and ate chicken and tongue which were excellent, as were grapes "like plums in size", the pineapples were very fine, there were various ices and choice wines" though "champagne only I patronised".

Francis Chantrey's statue of the Duke of Wellington was erected in 1844 outside the portico but was much criticised, particularly because he was riding the horse without any stirrups.

The courtyard was roofed over in 1883. Once there was this protection from the weather it was possible to decorate the walls of the ambulatory. Twenty three panels of paintings illustrated the history of the country. The subjects included Alfred the Great, Whittington, Gresham, and the Bank of England.

Trading came to an end with the start of the second world war but until then the Royal Exchange had played a significant part at the centre of national life. Kings were proclaimed from its steps, and crowds gathered there each Armistice Day.

In the years since the war the Royal Exchange has been used as a theatre (a prelude to the Mermaid Theatre), as home for the Guildhall Museum, and for the display of archaeological finds. On the commercial side the amalgamated Guardian Royal Exchange Assurance was formed and was based there and this was where LIFFE operated their market until 1997.

About 1980 Guardian Royal Exchange began to plan an enlargement and restoration of the building. Conservation bodies objected to the proposed addition of a third storey but the necessary permissions were finally obtained.

Changes continue to be made and ownership of Guardian Royal Exchange has changed again recently. However the Gresham Committee continues to meet, the Gresham College professors continue to give their lectures and the Royal Exchange stands proudly at the centre of the City, between the Mansion House and the Bank of England.

I am most grateful to the London Topographical Society and Dr Ann Saunders for their help.

TransGHA, vol.VIII, no.5