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The economic structure of the City of London at the end of the seventeenth century

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The economic structure of the City of London at the end of the seventeenth century

Introduction¹

While there has been much interest recently in the early modern history of London there has been little work done on establishing a comprehensive picture of the City, the central core of its economy.² The population history of the City has begun to be explored in a systematic way. The social and economic structure of one or two small areas has begun to be examined, both within the City and outside, in districts such as Southwark and the East End.³ Other studies concentrating on single issues have attempted to establish such things as the economic profile of the metropolis from the occupations given in a sample of parish death registers, resulting in a claim that the London manufacturing sector was more significant than commerce, and not the reverse, as had been assumed previously. Another study, by Power, based on the hearth tax from a small sample of parishes concluded with the comment that 'the impression is gained of an urban scene where occupations and rich and poor are thoroughly jumbled'.⁴

One of the reasons for the absence of a large background study has been the perceived lack of any strong source material covering a wide enough area. Even though the City only contained roughly one-quarter of the population of the metropolis by the end of the seventeenth century, this still meant that with over 120,000 people it was far larger than any other town in England. However, there was one huge, but somewhat neglected, set of material that was possible to use as the basis for such a survey, the 1690s' tax assessments. Operating within the confines of a single ESRC Linked Studentship the data, especially when collected and processed with the aid of modern portable and micro-computer techniques and rather older computerised mapping procedures, proved to be a very rich source. This article sets out to present the first fruits of the research;

describing in detail the records that were used, the tests conducted on them, and some of the early conclusions.

The variety of taxes in the 1690s and the survival of the assessments meant that it was possible to embark on an in-depth study of the City economy at that time.⁵ The two principal taxes used were the 1692 Poll tax partially examined by D.V. Glass and the 1693 '4s. in the £' tax.⁶ The 1692 Poll tax successfully met two crucial criteria: first, an assessment survives for each of the twenty-eight wards; second, it has a comprehensive record of occupations. The 1693 tax was chosen because of the information contained in the assessments and because of its proximity to the 1692 tax. This opened up the possibility of linking households mentioned in both taxes to get a fuller view of their individual situations.

After the taxes had been passed by Parliament, Commissioners were appointed for each county and city in Britain to supervise their assessment and collection. They in turn were charged with appointing individual assessors and collectors for each sub-district within their jurisdiction. There were over 200 such districts or precincts within the City of London, each with its own set of generally part-time tax officials. The assessors were certainly appointed from within the local community, the collectors were from a wider area. The assessments for these sub-divisions made it possible to gather data from the 1690's taxes for about 200 separate and distinct areas within the City. It was also possible to use this detail to produce detailed maps of the levels of rents and wealth, and the distribution of individual occupations or groups of occupations.⁷

The 1692 Poll tax was payable quarterly, the basic rate was 1s. per quarter, and it was to be paid by every qualifying man, woman and child.⁸ There was a precisely defined set of people who were exempt from the tax: those in receipt of poor relief or other alms, and their children; those who were not required to contribute to the poor rates and their children; and the children of day labourers and servants in husbandry. So added to any potential weakness in the actual assessment procedure was a large number of possible exemptions.

The 4s. tax was levied on two distinct features of a household's worth.⁹ All real property was to be taxed at 4s. in the £ (or 20 per cent) of its rack rent value. This was to be collected from the owner of the property or from his tenants on his behalf. It is not exactly clear from the Act, but it would appear from the assessments, which almost invariably listed the householder (whether owner or not), that the first responsibility for payment lay with the actual occupier, although the ultimate responsibility lay on the landlord as this part of the tax was a levy on real or perceived income from owning property.

The second part of the tax was a levy of 4s. in the £ on the notional return or income from an individual's wealth, excluding household goods. The Act also specifically allowed debts owed by the taxpayer to be taken into account, including mortgages. It was, as the Act stated, a tax on net stocks, designed to include working capital and personal

wealth that was not attached to the immediate household.

This was certainly an ambitious tax, a prototype of the income tax.¹⁰ This element was partially built into the Poll tax and Marriage Duties as well, though there it took the form of a one- or two-level surtax dependent on wealth *and* station. In the 4s. tax it attempted to be much more proportional to a person's wealth than merely being in one of two or three classes.

How good is the data?

The only measure we have available of the true number of households and people in the City are the registers drawn up for the 1694 Marriage Duties.¹¹ These are generally agreed to be one of the most complete census-type surveys ever conducted in early modern England. There is an almost complete set for the City of London. Furthermore, they have the advantage that they were not actual assessments for tax, except in the case of bachelors over the age of 25, but only meant to provide the basis for future taxation and may therefore be more reliable than many assessments.¹²

The figures they yield and the comparison with the Poll tax figures are given in Table 1. There is a striking difference between the inner and outer areas of the City, although the coverage of the tax is still quite impressive. Nearly half the individuals in the outer areas escaped payment, most of these would have been children.

Table 1 also shows that the number of households in the whole City assessed for the tax on rents is very similar to the number of households identified in the Marriage Duty registers. This conceals the fact that the inner area had about a thousand more notional and actual rentpayers than there were households identified in the Marriage Duty registers, while the outer area had several hundred fewer. This will partly be accounted for by the fact that the inner area contained larger and more complex households, which were often difficult to tell apart in the registers. While in the outer wards there were more examples of households being lumped together for assessment of the rent tax than in the inner wards such as 'Richard Norman and tenants', assessed for rentals of £96 in the northern division of the ward of Bishopsgate Without.¹³

Two tests were undertaken to check the reliability of the occupational labels. The first looked at the designation of 'merchant' which in London meant that the person was engaged in overseas trade. The names of merchants that D.W. Jones found listed in the London Port Books, for the first six months of 1695 for exports and the whole year of 1696 for imports, were matched with the Poll tax sample.¹⁴ Of the 649 individual merchants with a turnover of at least £500, it proved possible positively to link 358 of them to individuals assessed for the Poll tax three or four years earlier. Of the 358, 252 (or over 70 per cent) were positively designated as 'merchants', eleven were

Table 1: Houses and people: the contrasting coverage of taxes in the City of London 1692-95

Tax	City within the walls		City without the walls		All City	
	Houses	Persons	Houses	Persons	Houses	Persons
1692 Quarterly Poll	10,698	55,730	6,867	26,105	17,565	81,835
1693 4s. in £						
rents	12,350	—	9,417	—	21,767	—
stocks	6,553	7,468	2,687	2,911	9,240	10,379
1694/5 Marriage Duty registers	11,501	69,733	10,537	53,346	22,038	123,079

classified as 'gents' and a further forty-four were not given any appellation (though of this group half paid the higher rate of surtax reserved for merchants and gentlemen, while most of the rest paid the Poll at the lower rate of surtax). The remaining fifty-one were split onto packers (5), salters (6), linen drapers (5), drapers (5) and sixteen other trades with one or two in each.

The second test looked at victuallers, a group much closer to the bottom of the occupational hierarchy. Using the Corporation licences for 1692, 1,587 licensees were identified.¹⁵ Of these 1,221 could be identified as being assessed for the Poll tax: 601 were listed as victuallers, 423 of no title and a further 105 in related trades — principally coffeehouses. This left a rump of 104 distributed across over sixty different trades. Of the total only 8.6 per cent were definitely in the 'wrong' trade. Even here, given the nature of victualling, it could have been a trade they had recently worked in. Licensees depended on an annual grant of permission that could be revoked, and often was.

Of the data from the 4s. tax we can probably be most confident of the figures for rent. Many other taxes and levies were made on households at the time, including poor rates, watch rates and sewer rates, which seem to have been based largely on rack rent values. Since the assessors for those levies were more than likely to have been the same as those who did the assessing for the national taxes the reliability of this aspect of the 4s. tax is enhanced. There is evidence that where householders challenged the assessors' valuation of their rack rent, they would produce their leases or rental agreements to prove their case.¹⁶ The sheer number of households assessed also give us some confidence that the efficiency of the system as a whole may not have been too bad.

Wealth would have been more difficult to assess, though even here in a world where people lived in fairly close proximity to each other the standard of living of one's neighbours would not have been entirely unknown. Certainly a business generating a large trade would also have been difficult to conceal. The higher the value of the goods or services dealt in the more difficult it would have been to assess levels of wealth accurately. It is also true that at a time when

few people received a steady salary cheque at the end of the week or month, assessment of wealth or income, even by the individual concerned, would have been hazardous.

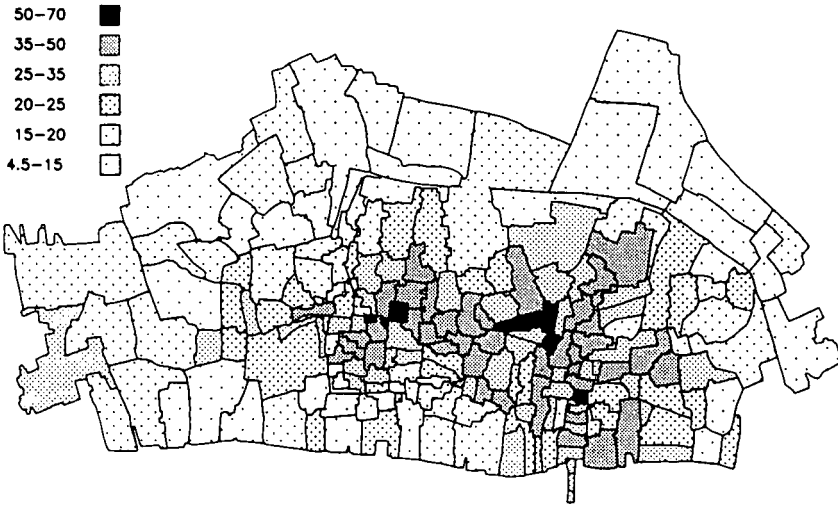
However, there is one source that held out some prospect of acting as an independent test of the tax assessors' estimates. There do exist for London the inventories and the summaries of inventories from the Court of Orphans.¹⁷ These are extremely valuable because they list not only the assets of the deceased but also the debts. They also record the value of any leasehold property (though not freehold) held by the deceased, which while not chargeable under the heading of stocks would have contributed to the assessors' subjective valuation of a householder's liability to the stock tax. They constitute one of the most reliable guides to personal wealth for the period concerned.

It was possible to link 184 individuals who were in the Poll tax, who were taxed for stocks in the 1693 levy and who had their estates processed by the Court of Orphans in the following ten or so years. The actual ratio between the assessed amount of stock and the net inventory valuation (that is after taking into account the debts owing to and from the estate) at each level of stock tax was of the order of 1:20.¹⁸ Even allowing for the fact that the inventories included personal or household possessions and leasehold property, categories specifically excluded from the tax, there was still a large amount of under-assessment.¹⁹

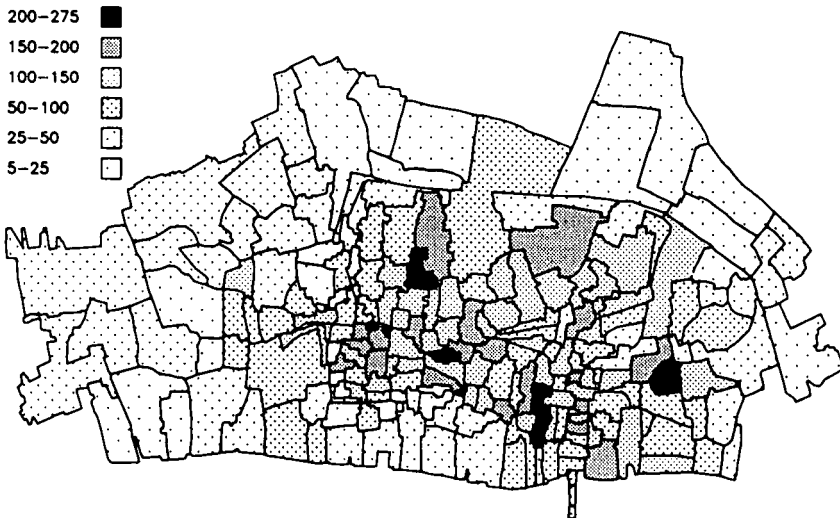
A correlation coefficient was derived to see how closely the individual observations in the two sets of data were related (the closer the figure is to 1 or -1 the closer any two series of data can be said to move together, either positively or negatively). The result of this test was a coefficient of 0.63 which, given the internal drawbacks of the data sets, the time differences and their lack of true comparison, shows a relatively good correlation. A much lower correlation coefficient of 0.22 was produced through testing for a relationship between the tax on rent and inventoried wealth. The implication of these tests is that the level at which an individual was assessed for the stock tax can be used as a fairly reliable guide to his actual wealth.

Socio-spatial patterns

It was possible to compare the distribution of wealthy citizens under this analysis with that of previous studies.²⁰ Map 1 established the distribution of mean rents paid in each area.²¹ This map showed the familiar pattern of a moderately undifferentiated central core of high rents with a southern spur to London Bridge. However, mapping the mean-assessed stocks revealed a slightly more complex pattern that brought out the underlying structure of the City economy (Map 2). The two central areas were now cut through by two slightly less wealthy areas corresponding to the two main arterial routes of the



Map 1: Mean rental values (£) — 1693 4s tax



Map 2: Mean stocks of all households (£) — 1693 4s tax

City, the Cheapside and Cornhill east-west axis, and the way up from London Bridge northwards along Gracechurch Street and Bishopsgate.

The direct reason for this phenomenon was not too hard to find after plotting the distribution of merchants in the City (Map 3). They were predominantly situated in just those areas off the main streets and they were responsible for most of the highest stocks that were taxed. An attempt was made to see if there was any zoning within the merchant group by the type of trade or area dealt with, but it



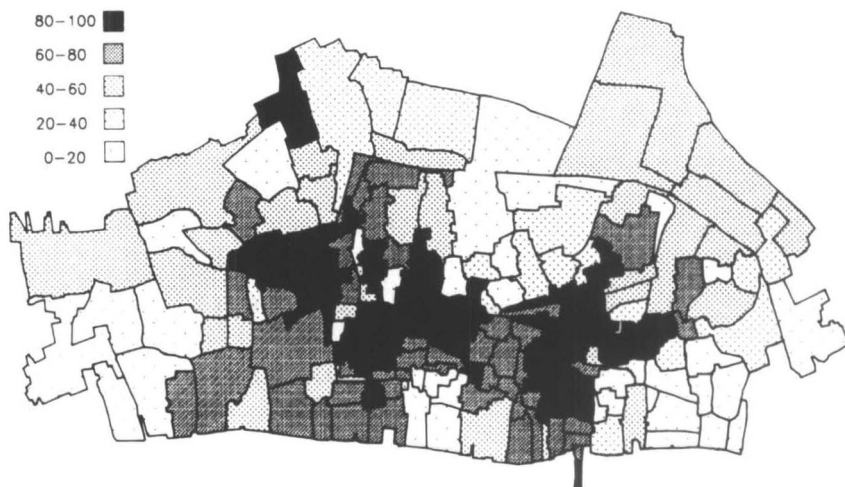
Map 3: Distribution of merchants

proved impossible to establish any strong patterns with the available data.²²

There were at least three reasons for the observed pattern of merchants concentrating to the east of the City and off the principal streets. First, there was the drift of the physical aspect of overseas trading — the loading and unloading of ships, eastwards towards the pool of London. As London Bridge became less and less passable for sea-going vessels so port facilities declined west of the bridge and grew on the eastern side. Secondly, the absence of major merchants from the main street frontages was probably due to the fact that it was unnecessary to pay such high rents for the public display of their wares. That space was more urgently needed by the domestic wholesale and retail traders, who occupied these places. The last factor to help explain the proximity of merchants to each other in such a relatively small area of London is partly self-explanatory. Merchants needed to be near the central trading areas because that was where they would find other merchants and also the specialist professional and transport services on which they relied.

Since merchants along with the gentry paid a special rate of surtax in the Poll tax they were more often given an occupational description. Map 4 shows the proportion of householders for which an occupation was found in the Poll tax. This reveals that there was a far from uniform return of occupational descriptions, but that it could still be used to get some idea of the distribution, range and size of occupations other than those of the merchants.

At the base of the occupational structure of the City as revealed by the Poll tax were the 721 different occupational labels applied to 12,858 individuals. These in turn can be classified in a number of different ways into various levels of sub-groups.²³ When embarking on such an exercise it is always important to bear in mind the problems in distinguishing between those who were engaged in sales

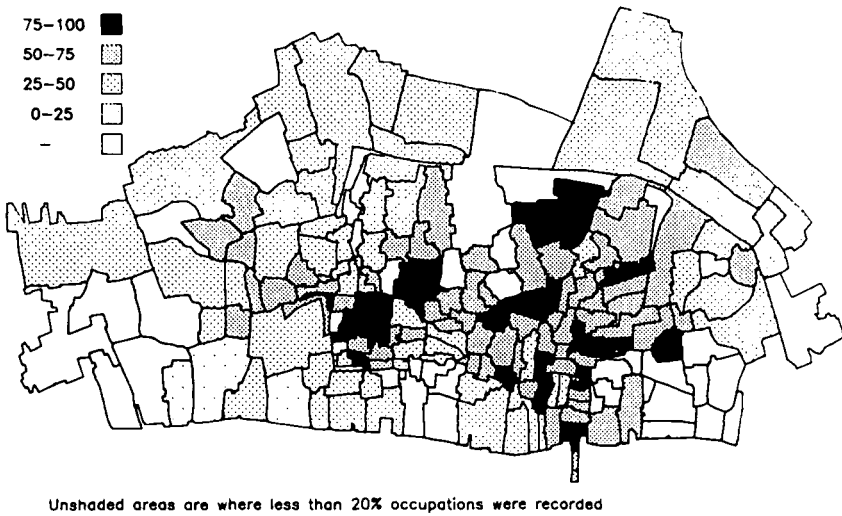


Map 4: Proportion of known occupations of household heads in 1692 Poll tax

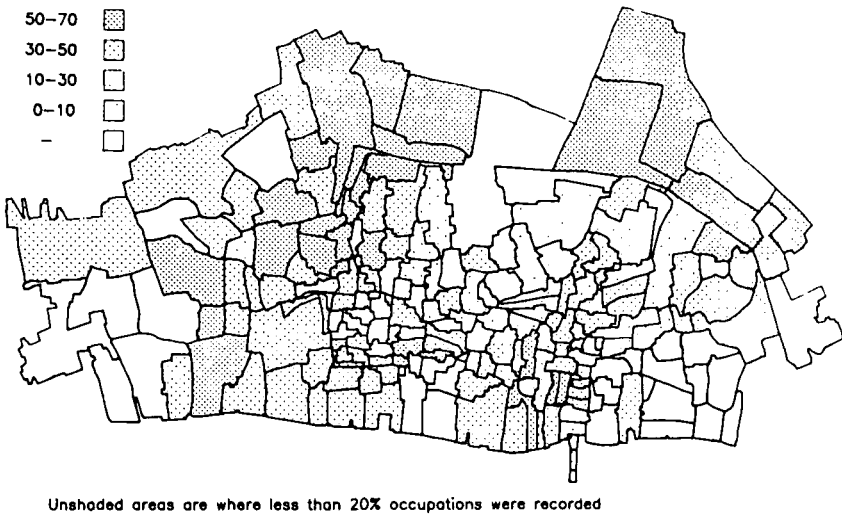
and those engaged in crafts; in the pre-industrial era self-employment was the normal situation for most householders. Many sold the product they produced rather than their labour, while in the City at least there is a clear distinction between those engaged primarily in selling and those engaged in both making and selling.

The percentage in the dealing trades was around 45 per cent (5,498), while the manufacturing trades took up some 33 per cent (3,871). Maps 5 and 6 display the distribution of these groups across the City and they show a definite pattern. The central areas were dominated by dealing trades, while the periphery is patchily occupied by manufacturing trades. If we just went by the raw totals derived from the Poll tax and the patterns revealed by the maps one could certainly not say that manufacturing dominated the trade of the City. Given the biased coverage of the Poll tax in having a good coverage of most of the wealthier, commerce-dominated areas and less good coverage of the poorer areas, it would be premature to downgrade the role of manufacturing in the City too far.

A comparison of the totals for the individual occupations that were found in the City show an unsurprising pattern — many shoemakers, weavers and tailors. But given the geographical and hierarchical gaps in the occupational coverage of the Poll tax evidence, to say that tailors made up 3.5 per cent (400) of occupations found as against 1.1 per cent (141) attorneys is not particularly enlightening. As a result of the one-dimensionality inherent in one set of purely occupational data it is useful to look at other information when available. For this study we have the material derived from the 4s. tax on rents, and on wealth or stock levels. The total of the taxed stocks of all those in the dealing group was £535,000, while the total



Map 5: Households in dealing as a percentage of occupations given



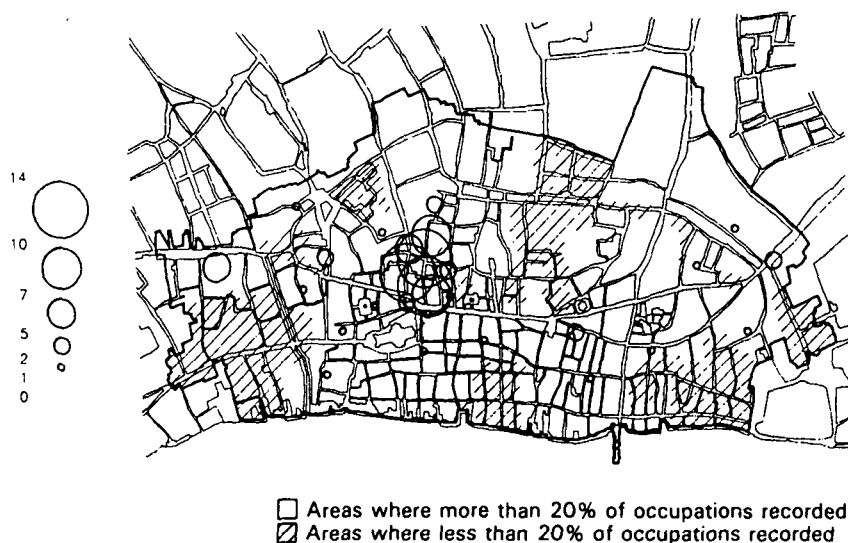
Map 6: Households in manufacturing as a percentage of occupations given

for the manufacturing sector at £106,000 was less than one-fifth. This meant that the mean taxed stock of a dealer was around three times that of a manufacturer. Even allowing for the problem that the data set is missing a number of the poorer artisans, the economic impact of the manufacturing sector would still have been dwarfed by that of the commercial sector.

The clear leading group within the dealing sector were the overseas merchants. In wealth terms they were in a class of their own, being assessed at some 16 per cent higher than the next occupational



Map 7: District of goldsmiths



Map 8: Distribution of silversmiths

group. They were followed by the textile dealers; these mercers, drapers and linen drapers seemed to have occupied a second and distinct group in terms judged by taxed stocks. Their rents were broadly similar to those paid by the merchants, at around £50 to £55, although the very highest rents were clearly being paid by the linen-drapers of London (a mean rent of some £67 for the 93 in the sample).

Among the manufacturing sector the textile processing and clothing trades were most numerous, but in terms of wealth they

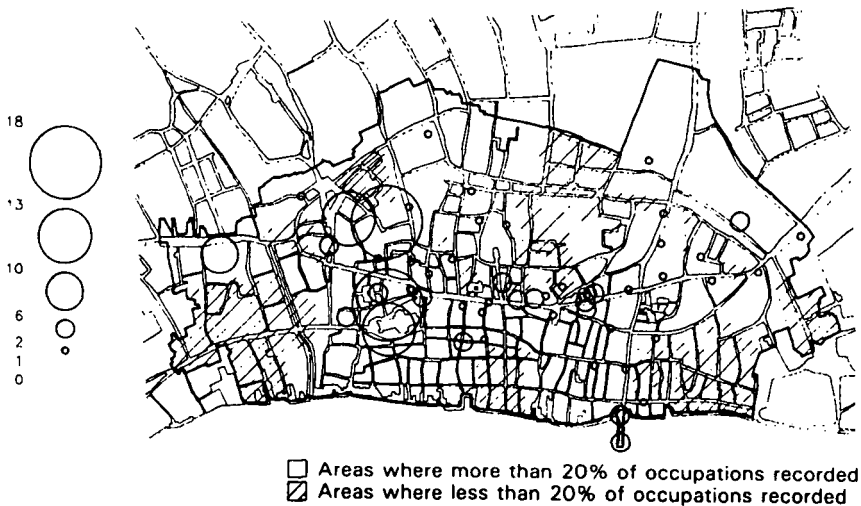
were very low down the scale. Unsurprisingly it was the capital intensive, chemical-type trades like brewing and soapboiling that were most prominent with mean levels of wealth well above the average of the dealing trades. Among the other sectors the building trades were small, with the plumbers doing particularly well within this sub-sector. Transport trades were also low down in the scale in terms of numbers and wealth except for the wharfingers in control of the quays along the Thames who, judged by the rents for which they were assessed, had considerable resources tied up in their sector.

Two further aspects of the economic structure of the City can be gathered from the data. First, there is the question of occupational and geographical specialization and secondly the question of occupational hierarchies or wealth hierarchies. It should be recognized that the two cannot be considered in isolation as the relative wealth of a particular occupational group will influence its location. The factors at play can be guessed at by reference to two examples: goldsmiths and silversmiths, and booksellers and printers.

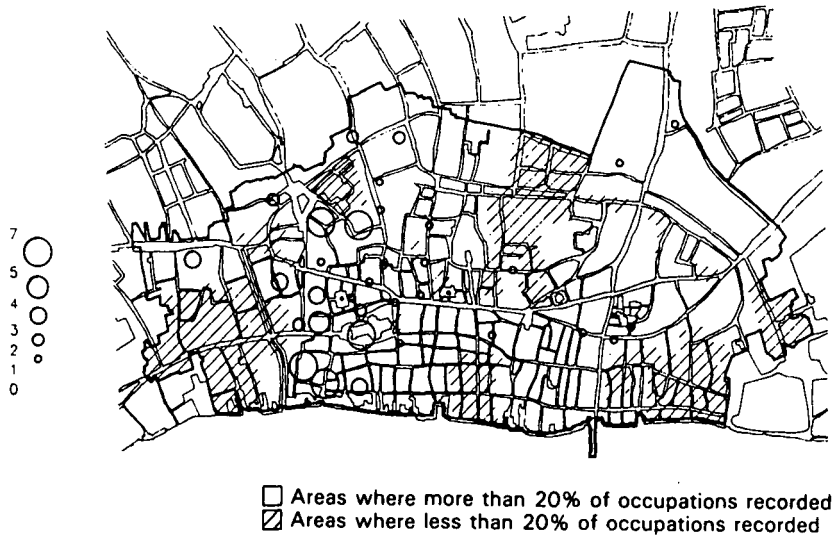
The goldsmiths were split into one main and several smaller groups. The principal clustering was around the central commercial district south of the Royal Exchange. In one precinct of Langbourne, St Mary Woolnoth, which contained Exchange Alley, twenty-one goldsmiths were identified, and made up almost half the households in the precinct. It cannot be known for sure what sort of trade they were operating, but it was probably quite different to the smaller groups of goldsmiths located at the western end of the City close to the silversmiths. Maps 7 and 8 illustrate the distribution of the goldsmiths and silversmiths. The silversmiths were all heavily concentrated along Foster Lane and Noble Street. The goldsmiths in that area were certainly wealthier than the more numerous silversmiths but were only taxed for a third of the stocks that their erstwhile namesakes were assessed for in the central City area. The charts in the appendix illustrate the different pattern of rent paying and asset holding among these groups.

The second group showed similar spatial concentrations and a wealth differential. Booksellers and stationers were located principally around St Paul's and along Duck Lane and Little Britain outside the City wall. The printers and bookbinders were spread around their clients and in a group to the south, away from the main thoroughfares (Maps 9 and 10). The charts in the Appendix also show the clear difference between those involved primarily in dealing and those involved primarily in manufacturing.

As yet the data has not been exhaustively plotted, but the broad outline of a wealthy and large dealing group dominating the City economy is clear. The fact that all but a few manufacturers are relatively less well off than most dealers is also clear. The commanding heights of this economy and also much of the lower ground was dominated by commerce and not manufacturers. But things are not perhaps that simple. It may be that to think in terms of such a



Map 9: Distribution of booksellers



Map 10: Distribution of printers and bookbinders

division between manufacturing and commerce is to read something modern into the past, thus obscuring the real nature of that economy. In a situation where there were few large-scale manufacturing enterprises and where there was much sub-contracting then the manufacturing businesses of today would have been the dealers of yesterday.

Conclusion

One clear conclusion from this study has been that in some cases occupations could be extremely concentrated into very small areas of the City. This finding could only be arrived at when a significant sample of occupations from a large enough area was available. Also the fact that this concentration was not true of all occupations goes some way to explaining why this situation had not been uncovered in previous studies of the City. While it was also true that in many cases rich and poor lived side by side there were clearly districts where the general level of wealth was much lower than in the central commercial areas. The predominance of commercial life, especially that of overseas trading, over manufacturing within London has been under criticism in recent work; however the evidence produced here goes much of the way to re-establishing commerce and overseas trade to their pre-eminent position, at least within the City of London.²⁴

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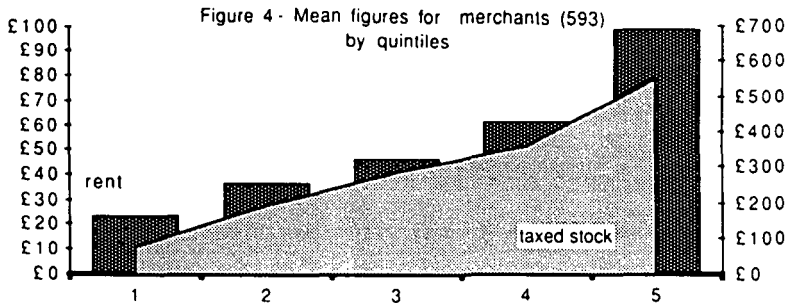
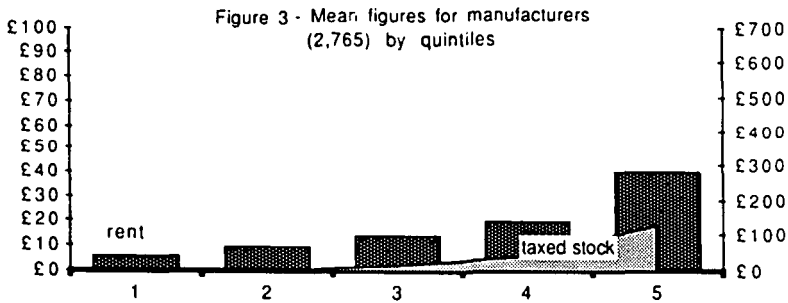
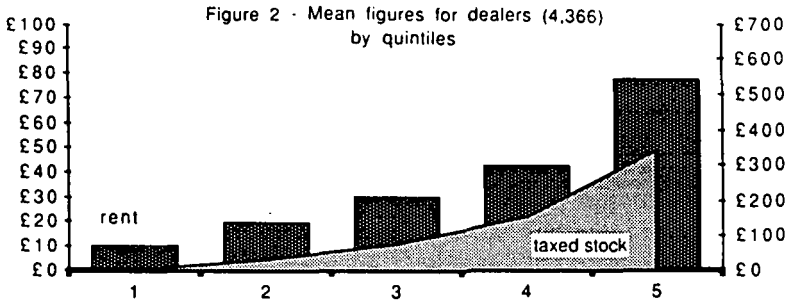
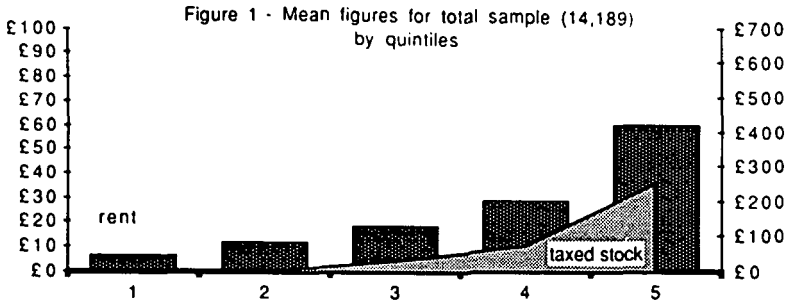
Notes

- 1 I would like to thank several people for their assistance during the early stages in the preparation of this article including Dr Peter Earle, Dr Penelope Corfield, Duncan Ross, and an anonymous referee who provided helpful comments.
- 2 When referring to 'London' I mean the whole of the metropolis, when the 'City' is mentioned it means solely that area under the jurisdiction of the Corporation of the City of London.
- 3 R. Finlay, *Population and Metropolis* (Cambridge, 1981); S.M. Macfarlane, 'Studies in poverty and poor relief in London at the end of the seventeenth century', (University of Oxford, D.Phil. thesis, 1983); J. Boulton, *Neighbourhood and Community* (Cambridge, 1987); M.J. Power, 'The urban development of east London 1550-1700' (University of London, Ph.D. thesis, 1971).
- 4 A.L. Beier, 'Engine of manufacture: the trades of London', in A.L. Beier and R. Finlay, eds, *The Making of the Metropolis: London 1500-1700* (Harlow, 1986), 115-40; M.J. Power, 'The social topography of Restoration London', *ibid.*, 199-223.
- 5 All the assessments used for this study are held at the Corporation of London Record Office (CLRO), Assessment boxes.
- 6 D.V. Glass, 'Socio-economic status and occupations in the City of London at the end of the seventeenth century', in P. Clark, ed., *The Early Modern Town* (1976), 216-32.
- 7 The boundaries on the maps were found from a number of sources, principally by observation of the same map from which the streets plan was derived; see *Ogilby and Morgan's Survey of the City of London, 1676*, Guildhall Library Publications, (1976).
- 8 3 Will. & Mary, c.6, *An act for the raising money by a Poll payable quarterly for One year for the carrying on a vigorous war against France.*

- 9 4 Will. & Mary, c.1, *An act for . . . an Aid of Four shillings in the Pound*.
- 10 W.R. Ward, *The English Land tax in the eighteenth century* (Oxford, 1953); J.V. Beckett, 'Land Tax of Excise: the levying of taxation in seventeenth- and eighteenth-century England', *Eng. Hist. Rev.*, c, 395 (1985), 284-308.
- 11 6 & 7 Will. & Mary, c.6, *An act for a tax on marriages, births and burials*.
- 12 P.E. Jones and A.V. Judges, 'London population in the late seventeenth century', *Economic History Review*, vi (1935), 45-63.
- 13 CLRO Assessment Box 36.11, 28.
- 14 D.W. Jones, 'London Overseas Merchant Groups at the End of the Seventeenth Century and the Moves against the East India Company', University of Oxford, D.Phil. thesis, 1970, Appendix B, 387-468.
- 15 CLRO, Licensed Victuallers, Ward Returns, 1692/3.
- 16 CLRO, Assessment Box 2.1, *passim*.
- 17 CLRO, Common Sergeant's Books, vol. IV and V.
- 18 More recent tests on different sets of inventories have revealed a somewhat lower ratio of tax to wealth, especially for the relatively less well off.
- 19 Around one-fifth of people's wealth was held in personal possessions and leasehold property; see P. Earle, *The Middling Sort of London* (forthcoming).
- 20 See for example the maps in D.V. Glass, ed., *London inhabitants within the walls 1695*, London Records Society, II (1966), 23; and E. Jones, 'London in the early seventeenth century: an ecological approach', *London Journal*, vi (1980), 124.
- 21 The level of rent will not only be determined by the position of the property but also by the number of floors and size of the building. A three-storey house on the same size plot as a two-storey house would, other things being equal, be worth more.
- 22 D.W. Jones, *op. cit.*, Appendix B, lists the main wares and trading areas of each merchant identified in the Port Books.
- 23 There has been much discussion as to the ideal method of classifying occupations. I have generally followed the one most recently favoured, first presented in A. Armstrong, 'The use of information about occupation', in E.A. Wrigley, ed., *Nineteenth Century Society* (1972), 191-310.
- 24 Work within this project should hopefully be able to spread light on the relative position of the City within the metropolis as a whole, using data from the 1693 4s tax for Westminster and Middlesex.

Appendix

Note: Rents are given on the left hand scale and taxed stocks on the right hand scale.



Appendix continued

