

## Introduction

It is rare for an historian to be able to establish in great detail the life of any but those considered one of ‘the great and the good’. The unusual amount of documentary sources, both by, and about, Daniel Eccleston of Lancaster (1745-1821) provides an opportunity to explore aspects of Atlantic trade, the Industrial revolution and entrepreneurship through the experiences of an individual. Eccleston spent many years travelling round the Americas and trading in the West Indies before finally settling in England late in 1779 and establishing himself as a merchant. During his first two years business in the North West of England he sent 274 letters. These reveal patterns of business and familial networks showing how trust is ‘constantly produced and contested’ and that ‘emotions and attachments built through trade were often very strong’.<sup>2</sup> The letters illustrate the ways he used trust-building activities and open networks to build, sustain, maintain and diversify his commercial activities and mitigate risk during conditions of Atlantic warfare as the industrial revolution was driving economic and social change. Eccleston needed to develop and exploit open networks because he failed to gain access to the formalized merchant organisations in Liverpool, where he initially intended to base his business. Ritter, Wilkinson and Johnston (2004) note the ability of a business ‘to develop and manage successfully its relationships with

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<sup>1</sup> With many thanks to the three reviewers who provided much useful feedback in the development of this paper, and to Dr Richard Doty (1942-2013) senior numismatic curator at the Smithsonian Institution’s National Museum of American History whose fascination with Daniel Eccleston led him to insist on me producing this paper, and who reviewed an early draft with his customary enthusiasm and thoroughness.

<sup>2</sup> Haggerty, Sheryllyne (2012), ‘*Merely For Money*’ *Business Culture in the British Atlantic, 1750-1815*, Liverpool University Press pp 67-68

other firms may be viewed as a core competence, which varies among firms'.<sup>3</sup> The specific challenges Eccleston faced were the impact of the ongoing wars on trans-Atlantic trade and his status as a newcomer in the merchant community of North-west England. He needed access to scarce shipping and credit to overcome the problems caused by the ongoing war and gain access to networks that would support him in establishing himself as a merchant. This paper addresses how he attempted to meet these challenges, identifying the importance of open networks adopted by Eccleston part of a 'bottom-up' loosely coupled, integrated system in which business and social relationships were co-produced by various actors to create mutual economic advantage in a high-risk trans-Atlantic business environment.<sup>4</sup> These networks were horizontally integrated, with movable power balances, dynamic and flexible; to reflect this they will be referred to as kinetic networks in this paper.<sup>5</sup>

This paper takes a case study approach to highlight Eccleston's utilisation of iterative business activity in co-produced open, integrated networks. Eccleston's network required relationship and network management skills to manage the paradoxes evident within the integrated network structure he developed.<sup>6</sup> Network ties are important when starting a new venture as a means of mitigating the invisibility problem faced by a new business.<sup>7</sup> The larger and stronger the network the better the chances of survival and strong performance in the early stages of a new venture, and the Eccleston

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<sup>3</sup> Ritter, T., Wilkinson, I. F., & Johnston, W. J. (2004). Managing in complex business networks. *Industrial marketing management*, 33(3), 175-183. P. 176

<sup>4</sup> Ibid

<sup>5</sup> The term kinetic network is thus shorthand for a bottom-up, co-produced, loosely-coupled and integrated network of the sort developed by Eccleston.

<sup>6</sup> Håkansson, H., & Ford, D. (2002). How should companies interact in business networks?. *Journal of business research*, 55(2), 133-139.

<sup>7</sup> Hite, J. M., & Hesterly, W. S. (2001). Research notes and commentaries. The evolution of firm networks: From emergence to early growth of the firm. *Strategic management journal*, 22(3), 275-286.

case confirms this to be as true in the past as it is today.<sup>8</sup> Eccleston had a pre-existing network providing an initial platform on which he could build his new enterprise; there remains considerable debate about the significance of the role of existing networks in supporting the founder of a new venture. This is reflected in the work of Shane and Stuart (2002) and Hallen (2008) which in turn illustrate one of the paradoxes of network interactions highlighted by Håkansson and Ford (2002), that while special opportunities can result from good management of interactions a network can also be restrictive.<sup>9</sup> In the case of Eccleston we see him limiting his use of family and co-religionist (restrictive) networks in favour of a wider network. The network-development choices made by Eccleston reflect his agency in network development, supporting the findings of Kilduff and Tsai (2005) that exploring actor-level differences in network building will assist in theory development regarding the networking actions of entrepreneurs.<sup>10</sup>

This paper will therefore show how Eccleston's successful negotiation of the process of building a kinetic network which enabled him to manage the risk of trans-Atlantic trade by moving into the newly developing tertiary sector as a trusted actor in a co-produced and complex network. Eccleston's management of relationships within the network enabled him to promote his reputation as an honest dealer, develop lines of credit, minimize his transaction costs, exploit his specialized market knowledge

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<sup>8</sup> Baum J. A. C., Calabrese T., Silverman B. S. (2000) Don't go it alone: Alliance network composition and startups' performance in Canadian biotechnology. *Strategic Management J.* 21(3) 267–294

<sup>9</sup> Shane S., Stuart T. (2002) Organizational endowments and the performance of university start-ups. *Management Sci.* 48(1) 154–170, Hallen B. L. (2008) The causes and consequences of the initial network positions of new organizations: From whom do entrepreneurs receive investments? *Admin. Sci. Quart.* 53(4) 685–718. Håkansson and Ford (2002)

<sup>10</sup> Ibarra, Herminia, Kilduff, Martin, and Wenpin, Tsai. 'Zooming in and out: connecting individuals and collectivities at the frontiers of organizational network research.' *Organization science* 16.4 (2005) pp. 359-371.

and use insider information to develop new opportunities minimising risk for, as Pearson and Richardson (2001) state;

It is not just the cost of transactions which is reduced by networking, but properly the costs of commercial information. Information costs entail both the costs of enforcing contacts and of monitoring moral hazard and free riding, but also many other costs embodied in determining business strategy, such as those of market research, of monitoring competition, and of appraising investment decisions'.<sup>11</sup>

Pearson and Richardson (2001) pointed to the need to explore less prominent members of urban networks during the industrial revolution, especially those who diversified out of core trading activities into other areas, particularly the burgeoning tertiary sector. Pearson and Richardson contend it is through such individuals and their activities the process of economic change can be best understood.<sup>12</sup> Eccleston is an important case study in this category as his entrepreneurial activities take off as the first steam-powered mills and fully automated weaving process are heralding a period of rapid social change.<sup>13</sup> Eccleston's entrepreneurial journey indicates the 'variegated influence of social structure on transactions' as he attempted and failed to enter already established merchant networks in Liverpool.<sup>14</sup> Eccleston then transferred to the new port of Lancaster where he could proactively exploit his information- power as capital. He was able to exploit information gained from one part of the network to generate economic advantage for himself and business for the Lancaster underwriters

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<sup>11</sup> Pearson, R., & Richardson, D. (2001). Business networking in the industrial revolution. *The Economic History Review*, 54(4), 657-679.

<sup>12</sup> Ibid p.659

<sup>13</sup> Smelser, N. J. (2013). *Social change in the industrial revolution: An application of theory to the British cotton industry*. Routledge.

<sup>14</sup> Granovetter, M. (1985). Economic action and social structure: the problem of embeddedness. *American Journal of Sociology*, 481-510.

amongst his kinetic network.<sup>15</sup> This is not to argue Eccleston (or any other person within his network) was in control of this network, as might be the case with a hub and spoke model or network. However, he was able to create or exploit situations beneficial to his economic interests through a series of multifaceted business adaptations relying on complex interlinked relationships and interactions.<sup>16</sup> Although all the network actors had a role in co-producing the structure of the network, Eccleston was able to successfully exploit his place in the network through excellent relationship management, particularly when his expert knowledge enabled him to broker both insurance and build new relationships within his network, while when he was in a weaker position the network provided him with the expertise of others.<sup>17</sup>

Eccleston was keenly aware of the limitations of his network, particularly one of the three network paradoxes noted by Håkansson and Ford (2002).<sup>18</sup> While trust played a pivotal role in the co-production of the network exploited by Eccleston, loss of trust caused emotional as well as business angst amongst the individuals.<sup>19</sup> In developing a network the management of relationships is perhaps more important than the management of the network itself, and trust was an essential tool for relationship building.<sup>20</sup> Sabel, (1993) considered ‘that trust is a precondition of social life...Hence the proper question is not how trust can be created from mistrust, but how and whether

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<sup>15</sup> Meijer, S., Hofstede, G. J., Beers, G., & Omta, S. W. F. (2006). Trust and Tracing game: learning about transactions and embeddedness in a trade network. *Production Planning & Control*, 17(6), 569-583 p. 569, Raven, B. H. (2008). The bases of power and the power/interaction model of interpersonal influence. *Analyses of Social Issues and Public Policy*, 8(1), 1-22.

Downs, C (2004) ‘The Business Letters of Daniel Eccleston of Lancaster (1745-1821): Trade, Commerce, and Marine Insurance in late eighteenth- century Liverpool, Lancaster and Whitehaven.’ *Northern History*: XLI: 1 March 2004 pp 129-148

<sup>16</sup> Håkansson, H., & Ford, D. (2002). How should companies interact in business networks?. *Journal of business research*, 55(2), 133-139.

<sup>17</sup> Ritter, Wilkinson and Johnston (2004) p.177

<sup>18</sup> Håkansson and Ford (2002)

<sup>19</sup> Haggerty, (2012), *Merely For Money* p.68

<sup>20</sup> Ritter, Wilkinson and Johnston (2004) p.177

particular persons or relations come to be seen as trustworthy' and as Haggerty (2012) notes 'during the periods 1750-1815, there is no doubt personal trust was extremely important'.<sup>21</sup> This is an important notion when considering how business and social relationships interacted to create mutual economic advantage at a time when trading across the Atlantic was particularly precarious.<sup>22</sup>

## I

The significance of trust and networks as proxies for organisational forms, tools for risk mitigation and means of developing social capital have been explored across disciplines, including economics, sociology, history and business studies. The seminal work of Granovetter (1973) on the strength of weak ties developed a sociological network theory setting out how micro-level interactions were fundamental to the 'diffusion of influence and information, mobility opportunity and community organisation'.<sup>23</sup> Granovetter's development of a weak-ties network model moved network theory on from models focussing on strong ties and well-defined social groups to one allowing for diverse patterns of relations between groups, encouraging analysis of 'segments of social structure not easily defined in terms of primary groups' as well as showing how weak ties could act as bridges to new networks, a strategy adopted by Eccleston with some success.<sup>24</sup> Granovetter's work indicates the bottom-up, co-produced nature of the most successful bridging networks.<sup>25</sup> However, in Eccleston's case it is also important to consider the mutuality of the network relationship, and

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<sup>21</sup> Haggerty, (2012) *Merely For Money* p.95

<sup>22</sup> Sabel, Charles F. "Studied trust: building new forms of cooperation in a volatile economy." *Human relations* 46, no. 9 (1993): 1133-1170 p.1136

<sup>23</sup> Granovetter, M. S. (1973). The strength of weak ties. *American Journal of Sociology*, 1360-1380 p.1360

<sup>24</sup> Ibid: 1369

<sup>25</sup> Ibid 1370

herein lays another of the paradoxes identified by Hakansson & Ford (2002), Eccleston had to be both proactive and reactive, often within the same relationship; this required others trusted him, and he had a network of people he could trust. Relationships within his network were fluid, with a position of knowledge or power in one letter reversed in **another** as he needed advice or support. Trust building and maintenance by letter rather than face-to-face requires expertise in a range of areas including knowledge of the relevant topic, ideally knowledge not widely available but verifiable and which receives validation from others. It also requires consistency in communication and a level of eloquence and self-promotion. The ability to network effectively is a skill not held by every businessperson. Ritter, Wilkinson and Johnston (2004) note network development in many cases is 'hindered by the lack of understanding of the construct'.<sup>26</sup> Much literature on networks in business history accepts individuals and firms were part of familial or other networks facilitating their business interests and then proceeds to explore these networks without acknowledging the underpinning complexities of network building revealed in the letters of Eccleston.

Within economic history there has been interest in the role of networks and trust covering familial, sectorial, regional and other types of network. In reviewing the literature relevant here the work of Casson (1995, 2003, 2011), Braudel, (1982) Sabel (1993), Williamson (1993), Maifreda (1998) Cookson (1998), Podolney and Page (1998), Rauch, (2001), Pearson and Richardson (2001) , Wilson and Popp (2003a; 2003b) and most significantly Haggerty (2012) offer important insights into the ways in which economic behaviour in the late eighteenth century was supported by the

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<sup>26</sup> Ritter, Wilkinson and Johnston, (2004) p 181

entrepreneurial activity of individuals coupled with their dynamic development of networks and trust generation activities.<sup>27</sup> The interlinking of networks with trust building and reputational status of participating individuals is a common theme in economic history, with Haggerty's (2012) conclusion networks were an integral part of, 'The business culture of eighteenth century merchants [which] therefore works as a private-order institution providing an incentive structure of which trust was a part' being implicitly supported across the literature.<sup>28</sup> The debate remains nuanced with discussions about whether confidence and trust are two sides of the same coin explored in the work of Humphrey and Schmitz (1996) and considered by Haggerty to be substantially different concepts in the minds of merchants in the eighteenth century.<sup>29</sup> Haggerty sees Casson's (1995) analysis of networks as somewhat simplistic, noting he does not reflect on the fluidity of trust but rather sees this as a static concept, one which is earned and then remains stable, and not one prone to change as information and most particularly gossip (ever-prevalent even in business letters of the period) alters

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<sup>27</sup> Casson, M (1995) *Entrepreneurship and Business Culture: Studies in the Economics of Trust*, Aldershot: Ashgate; Casson, M. (2003) 'An Economic Approach to Regional Business Networks in Wilson, J and Popp, A (eds) *Industrial Clusters and regional business networks in England, 1750-1970*. Ashgate Publishing, Ltd; Casson, M (2011) 'Networks in Economic and Business History' in Schulte Beerbühl, M. and Gestrich, A. (Eds) *Cosmopolitan Networks in Commerce and Society 1660-1914* London, German Historical Institute pp 17-49; Cookson, G. (1997). Family Firms and Business networks: textile engineering in Yorkshire, 1780–1830. *Business History*, 39(1), 1-20. Haggerty, S. (2012). *'Merely for Money'?: Business Culture in the British Atlantic, 1750-1815* (Vol. 2). Liverpool University Press. Maifreda, G (19998) 'Networks and Economic Behavior of Milanese Jews in the 19<sup>th</sup> century' *Eur. Yearbook of Business History* 1 (1998) pp93-118; Pearson, R. and Richardson, D (2001) 'Business Networking'; Podolny, J. M., & Page, K. L. (1998). Network forms of organization. *Annual review of sociology*, 57-76; Rauch, James E. (1999) 'Networks Versus Markets in International Trade' *Journal of International Economics* 48 1999 7–35; Sabel, Charles F. 'Studied trust: building new forms of cooperation in a volatile economy.' *Human relations* 46, no. 9 (1993): 1133-1170; Williamson Oliver E. (1985) *The Economic Institutions of Capitalism*, New York: Free Press; Wilson, J. F., & Popp, A. (2003a). Business networking in the industrial revolution: some comments. *The Economic History Review*, 56(2), 355-361; Wilson, J. F., & Popp, A. (2003b). *Industrial clusters and regional business networks in England, 1750-1970*. Ashgate Publishing, Ltd.

<sup>28</sup> Haggerty 'Merely for Money' p. 71

<sup>29</sup> Humphrey, John, and Schmitz, Hubert. 'The triple C approach to local industrial policy.' *World Development* 24.12 (1996) pp. 1859-1877.

perceptions of trust.<sup>30</sup> The significance of information and the power of an information giver to change the dynamics of trust in a network illustrate the complex and continually adapting nature of business and social interactions and indicate such networks are to an extent self-organising in response to the needs of the network actors at any particular time.<sup>31</sup> Thus effective networks are predicated on being able to manage interactions and relationships effectively rather than an individual managing the network as an entity in itself.

More recently the work of Pearson and Richardson (2001) showed how, during the Industrial revolution, there was a competitive market in which trust acted as a form of currency in a situation where large numbers of entrepreneurs were rivals; enabling entrepreneurs with an effective network of trust to develop their business interests rapidly. Basing their study on records covering a period of almost 50 years they showed how relations between individuals and 'iterative business activity' acted as the basic foundation of business networks, a point supported by the work of Wilson and Popp.<sup>32</sup> Pearson and Richardson argue this enabled the transformation of the British business landscape by paving the way for multilateral commercial arrangements through the development of capital networks amongst insurance investors.<sup>33</sup> Building capital networks clearly involves a high degree of trust and repeated contacts, as shown by Pearson and Richardson.

The work of Casson remains critical in developing an exploration of the role of networks as a coordination mechanism within international business during the period

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<sup>30</sup> Ibid p.164 and pp 102-103

<sup>31</sup> Ritter, Wilkinson and Johnston (2004)

<sup>32</sup> Pearson, R., & Richardson, D. (2001). 'Business networking' p.659

Wilson, J. F., & Popp, A. (2003a). Business networking in the industrial revolution: some comments. *The Economic History Review*, 56(2), 355-361.

<sup>33</sup> Pearson and Richardson *ibid*

under consideration here. His work in illustrating the diversity of networks as well as stressing the importance of differentiating between the varying types and functions of networks allows for the effective characterisation of networks in economic history.<sup>34</sup> Wilson and Popp (2003a) noted the need to explore the economic and social environment in which networks are formed and develop. They point to the significance of trust and power in developing further analysis of networks during the Industrial revolution, supporting the notion individual entrepreneurs exploited local, regional and international networks in order to gain advantages in terms of business intelligence, capital and credit. They note the role of ‘significant actors’ is critical in network building and maintenance, concluding; ‘it is not the network structure *per se* which is the key determinant of regional performance but instead the quality of the entrepreneurship for which networking serves as a vehicle.’<sup>35</sup> Work on networks of trust and economic development was further developed by Smail (2003) exploring relationships between the economy and culture, providing additional important insights here, he comments; ‘lacking a comprehensive credit market the British economy was dependent on personal trust for all economic transactions.’<sup>36</sup> Smail (2003) further argued the availability of credit through the trust engendered via a network of business contacts was what enabled entrepreneurial activity in the late eighteenth century.<sup>37</sup> Podolney and Page (1998) suggested networks were critically important for information sharing (which in turn helped engender trust) enhancing an individual’s status through acknowledged membership of a network and particularly for the economic benefits they

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<sup>34</sup> Casson, M. (1997). Entrepreneurial networks in international business. *Business and Economic History*, 811-823.

<sup>35</sup> Wilson, J. F., & Popp, A. (2003). *Industrial clusters and regional business networks in England, 1750-1970*. Ashgate Publishing, Ltd. P.278. Wilson, J. F., & Popp, A. (2003a). ‘Business networking: some comments’ Wilson, J. F., & Popp, A. (2003b). *Industrial clusters and regional business networks in England, 1750-1970*. Aldershot: Ashgate Publishing, Ltd.

<sup>36</sup> Smail, J. (2003). ‘The culture of credit’ p. 299

<sup>37</sup> Ibid p.317

could confer, a conclusion supported in the subsequent work of Pearson and Richardson (2001) and Haggerty (2012).<sup>38</sup> Haggerty additionally suggested the quasi-organisational form facilitated by effective business networks meant, ‘Risk, trust, reputation obligation and networks were the ‘institutional elements’ of this successful business culture.’<sup>39</sup> Further, Haggerty (2012) supports the conclusions of Pearson and Richardson that, ‘networking and the economy of regard in industrialising Britain stretched well beyond the reach of kinship relation and small partnerships’ noting non-family contacts were the most useful in supporting network building.<sup>40</sup> However, simply having a large number of non-family contacts would not be enough alone for Eccleston to develop a successful business in the challenging business environment engendered by the trans-Atlantic war taking place, what he needed was a networking and relationship management ability allowing him to become a trusted actor within a reactive and proactive network within which he could connect his resources to those of others within the network, and it is for this reason the co-production of his network, by a wide range of actors is important.<sup>41</sup>

## II

Daniel Eccleston (1745-1821) was born near Preston in Lancashire, and brought up as a Quaker; his Father was later an elder of the Whitehaven meeting in the northern county of Cumberland. Eccleston left England aged 22, spending twelve years travelling round the Americas and trading in the West Indies before finally settling permanently in England late in 1779. In 1767 (aged 22) Eccleston began travelling

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<sup>38</sup> Podolny, J. M., & Page, K. L. (1998). Network forms of organization. *Annual review of sociology*, 57-76 : p.59

<sup>39</sup> Haggerty, *Merely for Money* (2012) p.236

<sup>40</sup> Ibid p. 104; Pearson and Richardson (2001) ‘Business Networking’ p. 366

<sup>41</sup> Ritter, Wilkinson and Johnston (2004) p.181

around the West Indies (Jamaica, Tobago, Barbados and Antigua being the most likely islands he would have visited); his older brother settled as a planter in Antigua. By 1769 Eccleston was journeying between Montreal and Boston, he spent some time in Boston (acquiring a dog named Dominic) and left the town by the end of 1769. He then travelled through Virginia, and stayed with Washington at Mount Vernon some time in 1770 or 71 and also travelled on the Mississippi. His travels on the American mainland ended in New York, which he left in the spring of 1772, sailing to Antigua. Eccleston spent eighteen months in Antigua and then six months in Barbados, where he entered into a partnership with Edward West, attorney. He then travelled to Lancaster, arriving in the early summer of 1774. He sailed from Lancaster in 1776, and then remained in Barbados until the late summer of 1779. He arrived back in Whitehaven at Christmas 1779 and settled in Liverpool until April 1781, after which he moved to Lancaster, earning a living as a merchant and insurance broker but was also an inventor, coin designer and distributor, radical thinker, author and scientist. He lived on Queen Street until his death in 1821. There is no record of his ever registering his presence at any Quaker meeting houses upon his return to England and he was later formally expelled from the Quakers. Eccleston was active in radical politics, opposed to the established church, an inventor and keen amateur scientist with an interest in electricity generation.<sup>42</sup> Smail noted; ‘historical actor[s] rarely make explicit the cultural assumptions on which they act’ but in the case of Eccleston his underpinning philosophies come through even in the business letters composed during his first two years in Liverpool and Lancaster; years for which two complete copy letter books survive.<sup>43 44</sup> The 274 letters in two copybooks offer a manageable source for evidence

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<sup>42</sup> Downs, C (2006) ‘Daniel Eccleston of Lancaster (1745-1821) - Quaker Radical’. *Quaker Studies: Volume 10, issue 2, March 2006* pp 203-222

<sup>43</sup> Smail (2003) ‘The Culture of Credit’ p.321

of network formation; trust and relationship building activities and risk management in the business start-up phase of an eighteenth Century entrepreneur.<sup>45</sup>

The advantage of looking at the two letter books as a unit is their completeness; letter books were the primary tool of the man of business, they were admissible as evidence in court and provided not only details of correspondence but also detail prices paid or received, local wages, a summary of credit outstanding and cash balances held over the two years under consideration here. Unfortunately, we do not have the replies to these letters, although comments in subsequent letters answer some questions other issues remain unresolved. Nevertheless, we can see the mutuality of the network in which business and social relationships were co-produced to strengthen the economic position of the network actors in particular nodes.

All bar one of the letters in the copybooks are business related even where they are to family members. Letters to his father are the single largest group of letters, but these comprise only 8 percent of the total. Working with the letters as a unit allowed the network to be visualized in several ways. A flat-file database was initially constructed, showing details such as recipient, mode of delivery (via friend-in-common, ship's captain, *pacquet* boat, mail coach etc), and enabled the size of the network after two years to be established at 87 individual correspondents with mention made within letters of an additional 34 contacts. Using these techniques allowed the mapping of

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<sup>44</sup> Lancaster Library Local Studies Collection, (hereafter LLLSC) MS 3734 *Letter Book of Daniel Eccleston 1780*.

<sup>45</sup> Lancaster Library local studies collection and the Friends House library London hold a large proportion of Eccleston papers see also Birmingham City Council Archives and the Washington /Madison Archives. Eccleston also published at least two books on religious freedom D. Eccleston, *Reflections on Religion*, (Lancaster, 1797) and *Lamentations of the Children of Israel*, (London, 1813), petitions to the King and parliament. Correspondence is held in Birmingham Reference Library Matthew Boulton Papers (hereafter Birmingham MBP) 230/43 and Rothamsted Institute of Agriculture Sinclair papers S192.6

Eccleston's letters in order to unravel the links between communication, enterprise, networks and changing business models as an approach to managing a business in a time of global crisis.<sup>46</sup> It also allowed sub-networks to be identified as per Haggerty and Haggerty (2013) showing family was not the most significant of Eccleston's networks, and sub-networks, such as his regional network of manufacturers, were of significant importance, alongside his Antigua / Barbados network of planters and agents.<sup>47</sup> Rauch (2001) concluded the significance of family, kinship and ethnic networks to the development of international trade may have been overstated because they are more easily evidenced in the historic record. As a Quaker Eccleston had the potential to maintain family and meeting house links in building his business, but it is noticeable Eccleston's business correspondence with family members rapidly tailed off.<sup>48</sup> It may be he had already been informally excluded from Quaker networks through the processes of social exclusion noted by Ackrill and Hannah (2001) with which the Quakers encouraged compliance with their norms and values; Eccleston clearly did not comply with these in terms of attendance at meetings or belief in the Trinity. He may have also objected to the close financial oversight many Quaker meetings imposed on members in business.<sup>49</sup> The letters illustrate how, through careful development of a non-family network, built through initial contact by letter, made on his arrival back in England via 'friends-in-common', he was able to create his own 'Extensive local networks for the mobilisation of finance, talent or information' to

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<sup>46</sup> Boyce, G. (2010). Language and culture in a Liverpool merchant family firm, 1870–1950. *Business History Review*, 84(01), 1-26.

<sup>47</sup> Haggerty, J. and Haggerty, S. (2013) 'Visual Analytics for Large-scale Actor Networks: A case study of Liverpool 1750-1810' in Casson, M. and Hashimzade, N. (2013) *Large Databases in Economic History: Research Methods and Case Studies*, London: Routledge.

<sup>48</sup> Rauch, J. E. (2001). Business and social networks in international trade. *Journal of economic literature*, 1177-1203.

<sup>49</sup> Ackrill, M and Hannah, L (2001) *Barclays: The Business of Banking 1690-1996*, Cambridge: Cambridge University Press p. 23 and p.39 Prior, A., & Kirby, M. (1993). The Society of Friends and the Family Firm, 1700–1830. *Business History*, 35(4), 66-85 p.72

create mutual economic advantage.<sup>50</sup> Mapping out his network enabled questions to be asked of the qualitative data such as levels of activity of various elements over time and the effects of events such as the loss of the West Indies fleet or the devastating Barbados hurricane of 1780 on the composition and behaviour of Eccleston's network.<sup>51</sup>

The development of networks and associated trust-building in a trans-Atlantic context in the early 1780s was made considerably more difficult by the on-going sea-based war. Pre-war trading networks were disrupted; Eccleston had certainly been trading through New York just before the start of the war, but these contacts were lost to him for a considerable period. His plan to export high-value goods aimed at wealthy women in the West Indies and import spirits, cotton and his brother's crop of sugar was predicated both on the ability to exploit existing networks in the West Indies but also being able to generate a supply network in Great Britain. As he had not lived in Great Britain since 1774, and then for less than a year, he would have to rapidly build sufficient reputation to be able to obtain credit and to also secure sufficient, fast shipping space for his goods. Shipping space was a particular issue as the Royal Navy was commandeering merchant ships and, through the impressment of 'men of seafaring habit aged between 18 and 45 years', diminishing the supply of skilled sailors for merchant shipping who were thus able to command a higher wage due to scarcity.<sup>52</sup> Additionally, the long-established Merchants Societies in Liverpool (such as the West India Association) were able to work as a cartel to monopolize limited shipping space

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<sup>50</sup> Wilson, J. F. (1995). *British business history, 1720-1994*. Manchester: Manchester University Press., p.25

<sup>51</sup> Haggerty and Haggerty (2013) *Visual Analytics* p.148

<sup>52</sup> LLLSC 3734 Eccleston to William Eccleston 8 Sept. 1781. A foremast man would earn £3 10 shillings a month.

on the valuable trans-Atlantic routes. The merchants' societies may be viewed as a top-down, formalized network with clearly articulated rules and hierarchies supporting established ways of doing business. Eccleston rapidly realized he needed a different type of network, one more open and bottom-up, integrating his expertise and knowledge alongside his business interests.

In exploring how Eccleston managed to build and exploit his network outside of established and formalized merchants' networks in Liverpool, it was important to understand the wider social context within which any entrepreneur of the period was working. Using the analytical model proposed by Haggerty and Haggerty (2013) the complexity of Eccleston's network and its inter-relationships can be seen.<sup>53</sup> He made early use of his family (Quaker) network, which comprised primarily his father, a linen weaver and Quaker elder in Whitehaven in the county of Cumberland and his brother Isaac, a planter in Antigua although he also conducted some commissions on behalf of three cousins in Whitehaven (the Weller family) and a cousin in Thistleton, Lancashire (Thomas Butler). His network of trusted close friends was important to Eccleston, and he maintained regular contact with this group, providing advice and looking out for their interests. In England these were for the most part younger men, fond of drinking and partying. Eccleston's most eclectic and amusing letters are to this group, although sadly some of the 'in' jokes are beyond interpretation. One of Eccleston's closest friends, Thomas Park, who bore the nickname Tummus a Didimus (doubting Thomas), was the recipient of a letter which, after a cursory discussion of cotton, described an

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<sup>53</sup> Haggerty and Haggerty (2013) *Visual Analytics*; not having access to relevant software the mapping took place by hand.

impromptu drinking party after a visit to Glasson, about six miles south of Lancaster, to see the new pier: <sup>54</sup>

We got to drinking Liverpool Ale aboard the old hulk, and did it pretty freely, but not satisfied with that, must call at Condor Green in coming home, where several trials ensued, and the upright being once judge and twice on the jury, of course you may be sure brought in damages, which with the Ale we drank on board the Hulk, made most of us, not as we ought to be, but as we ought not to be. <sup>55</sup>

During the ride back to Lancaster, Eccleston fell from his horse and damaged his shoulder, which is perhaps indicative of the amount and potency of the Liverpool ale they drank. The evidence of positive relationships which were occasionally face-to-face but sustained by letter is evident throughout the correspondence, and chimes with the finding of Haggerty (2012), while the co-produced nature of the network is seen through the reciprocal nature of both the social and business activities, with Eccleston offering a ‘warm fire and a rarebit’ to his Liverpool cronies when next they did business with him in Lancaster.<sup>56</sup> Eccleston also moved in influential circles, and was close friends with both the Rawlinson family, including the local MP, and also leading recusant family, the Blundell’s of Crosby, whom he visited on several occasions, although he did not make use of these contacts for business purposes. Eccleston’s other sub-networks can be categorized as comprising attorneys based in the West Indies (these were not lawyers, but rather represented an individual’s interests in business), ship owners, fellow merchants, clients and creditors, small traders, plus medium and

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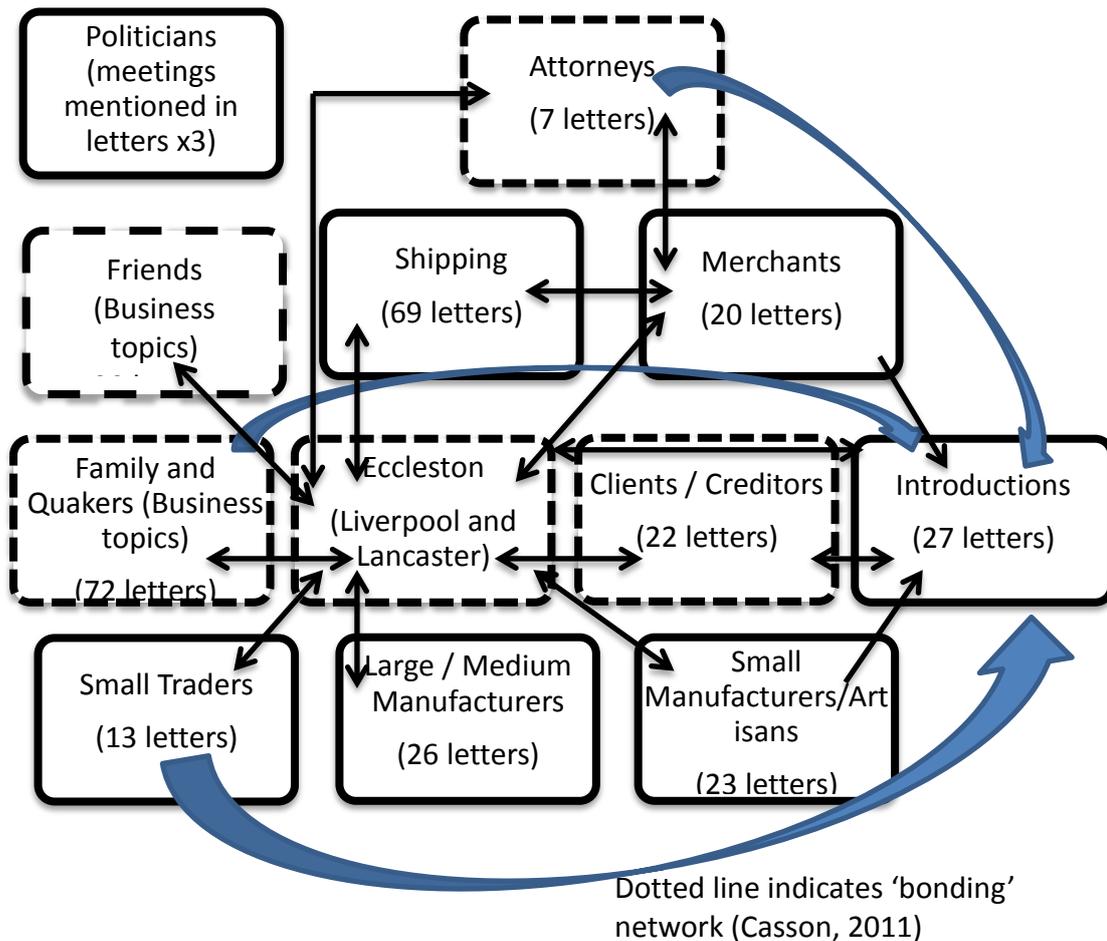
<sup>54</sup> The Manchester Mercury of 29 May 1787 reported, ‘This dock, from its situation, and the great rise of its tides, will be a means of increasing the trade of that town’ in Janes, D. (1979) *Lancaster: An Outline History*, Clapham: Dalesman Books. p.42

<sup>55</sup> Friends House Library (hereafter FHL) TEMP MSS 145/1, Eccleston to Thomas Park, Liverpool, 5 April 1781

<sup>56</sup> Haggerty (2012) *Merely for Money* p. 68 Eccleston to Joshua Holt 9 Aug. 1781 LLLSC MS 3734

larger manufacturers in the industrial heartlands of Manchester, Sheffield, Stoke-on-Trent and Birmingham (see figure 1)

Figure 1: Eccleston's Network and its Relationships



In developing his role in the network with potential clients and suppliers initial contact was followed by the sharing of information on sales prices, the potential sugar and cotton harvests, new factories, bankruptcies, trustworthy contacts on whom bills-of-exchange could be drawn (and less-trustworthy ones whose bills should be returned), requests for debts to be chased, progress of the war, political developments and

opportunities for new business. He consolidated his place in the network through business trips to manufacturers and extensive use of social meetings, all of which helped engender trust in Eccleston amongst the network. These are conventional relationship management techniques still in use today, but for Eccleston the benefit of the network at a time **when** knowledge travelled slowly was providing him with a means of managing risk, recovering from adversity, spotting new opportunities and enabled him to rapidly change his strategy in order to develop as an entrepreneur in a fast-moving business environment.

By the early 1780s and through their regular meetings Quakers became tantamount to a religious-commercial society with a network reaching across the oceans and into the colonies.<sup>57</sup> However, Eccleston was no ordinary Quaker, so perhaps it is not surprising 67 percent (186) of his letters were sent to people not in any way related to him, and not linked through the community of Friends. In contrast to the Quaker practice of ending business letters with the greeting, ‘yr. loving friend’ Eccleston invariably signed off with a profession of obedience and servitude which knowledge of his personality reveals to be a graceful platitude.<sup>58</sup> He also wrote letters to non-Quakers using the conventional ‘you’ and ‘yours’ rather than the Quaker form of ‘thou’ and ‘thine’ with which he addressed his family and Quaker associates. Thus it is noticeable Eccleston was at ease with two languages: one of his upbringing, the other of society in general.

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<sup>57</sup> Walvin, John. (1997) *The Quakers: Money and Morals*. London: John Murray

<sup>58</sup> Raistrick, A. (1968) *Quakers in Science and Industry*, Newton Abbott, David and Charles. p.336

### III

As a result of his travels Eccleston had extensive and well-developed networks throughout the American mainland, Portugal and the West Indies. The political situation meant he could not maintain his contacts on the American mainland, as can be seen in figure 2. However, he rapidly made use of friends-in-common to expand his networks in England on his arrival in Liverpool in December 1779. By February 1780 Eccleston was living in rooms, a common practise amongst bachelors of the period, at Mrs Bare's establishment, 9, Temple Street, Liverpool.<sup>59</sup> Eccleston became firm friends with other men of similar disposition lodging there, who by virtue of their ability to hold their wine were collectively known as 'The Uprights'; this group provided him with contacts across the region.

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<sup>59</sup>LLLSC MS 3734, Eccleston to Joshua and Geo. Smith, Manchester, 4 Feb. 1780

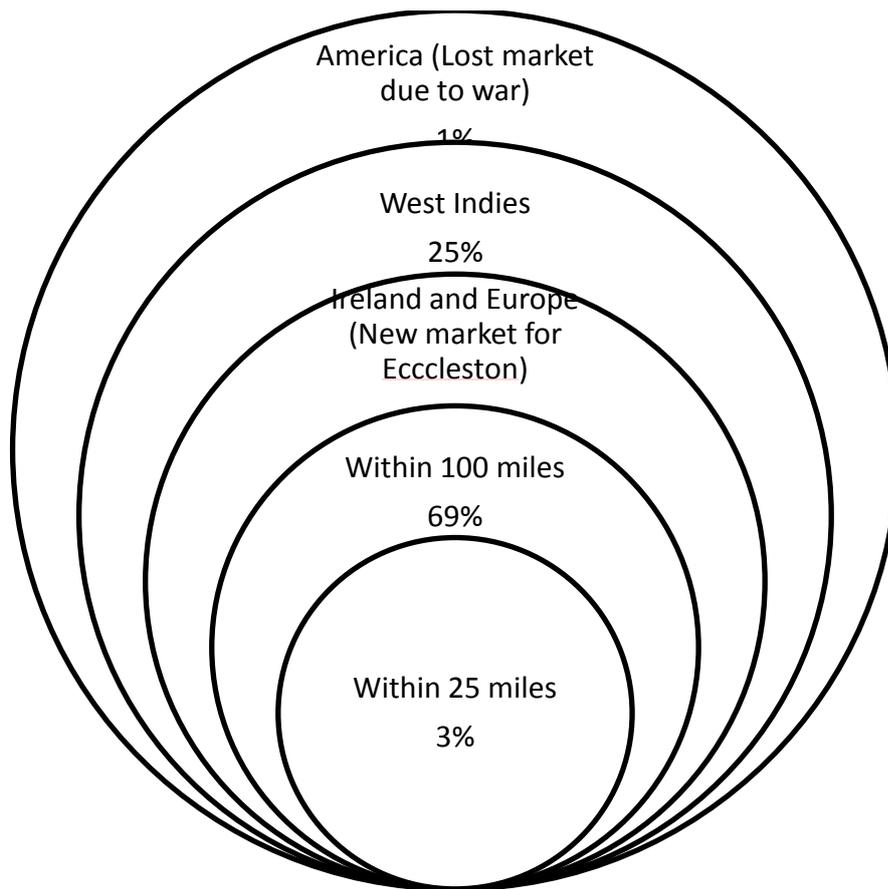


Figure 2 Distribution of Eccleston's contacts by distance

Figure 2 shows how important a regional network (greater than 25 miles from his home city, but less than 100 miles away) became to Eccleston. Many of the contacts within this regional network were made after Eccleston arrived back in England and contributed significantly to his business development, especially his move into insurance brokerage.

Casson (2011) demonstrates the difficulties of engineering trust over long distances or when networks were dispersed, giving as his example the case of long distance trade in high-value goods; the trading model selected by Eccleston.<sup>60 61</sup>

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<sup>60</sup> Casson, M (2011) 'Networks in Economic and Business History' in Schulte Beerbühl, M. and Gestrich, A. (Eds) *Cosmopolitan Networks in Commerce and Society 1660-1914* London, German Historical Institute pp 17-49 p.24

Casson (2011) proposes the difficulties of developing and maintaining trust is mitigated by the ability to manage networks so trust is developed in smaller, ‘bonding’ networks which facilitates the management of more dispersed networks.<sup>62</sup> By early 1781 over 70 percent of Eccleston’s business contacts were outside of his family or co-religionists, based on his own networking activities with inter-linked bonding networks important in integrating the component parts of the network to support the development of his business.<sup>63</sup>

Figure 1 shows the structure of Eccleston’s network by the end of 1781, with the dotted lines marking out his ‘bonding’ network, which was highly permeable, allowing him to include new, but trusted, contacts within the group of business friends. That a significant proportion of his business network was made up of people who had clearly become his friends is important in understanding the bottom-up nature of his network building. This model could only work where friendship was part of the process; friendship is an important social construct engendering high levels of trust. However, the network also provided a means of acting against those who did not fulfil the norms and values of the network, as can be seen in several cases where bills were dishonoured, goods were not as expected or invoices were not paid.<sup>64</sup> In contrast to the findings of Stobart (2008) this work draws conclusions similar to those of Pearson and Richardson (2001) and Forestier (2010) that kinship ties were less important in developing business relationships by the late eighteenth century and networks acted

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<sup>61</sup> LLLSC MS 3734 Eccleston to Michael Nash, Barbados, 13 Jan. 1780

<sup>62</sup> Casson, (2011) ‘Networks’, p.25.

<sup>63</sup> Ibid

<sup>64</sup> LLLSC MS3734, Eccleston to William Eccleston 15 Aug. 1780

almost as an organisational form, helping minimize risk.<sup>65</sup> Slightly adapting the seminal definition of network governance developed by Jones, Hesterly and Borgotti (1997) we see through Eccleston's papers a 'select, persistent, and structured set of autonomous [individuals and] firms... engaged in creating products or services based on implicit and open-ended contracts to adapt to environmental contingencies and to coordinate and safeguard exchanges. These contracts are socially-not legally-binding.'<sup>66</sup>

Eccleston's business network was male, middle class, convivial and closely tied to Whig politics, often Foxite in nature. Political pamphlets were sometimes enclosed in business letters, chiming with Guttridge's conclusion that 'the driving force of Whiggism in and out of parliament, was, in large measure, the energy of the financial and commercial classes, linked closely with religious dissent'<sup>67</sup> Eccleston's network allowed information to travel, new connections to be made and tested, and older connections strengthened and reinforced in such a way it was far more than simply a means to facilitate standard business transactions. The network provided a mechanism of exchange governance as proposed by Diederer and Jonkers (2001), who note; 'relations transcend the immediate business context'.<sup>68</sup> Eccleston's papers show how trust was built between members of the network through exchange of reliable and timely information which allowed for such services as reciprocal policing of unpaid bills, agreements to work as partners for one-off ventures (such as hiring a ship by eight members of his network for a round-trip to Antigua) and the rapid development of new

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<sup>65</sup> Pearson and Richardson (2001) 'Business Networking'; Stobart Jon, (2004) 'Personal and Commercial Networks in an English Port: Chester in the Early Eighteenth Century' *Journal of Historical Geography* Volume 30, Issue 2, April 2004, 277-293; Forestier, A. (2010) Risk, kinship and personal relationships in late eighteenth-century West Indian trade: The commercial network of Tobin & Pinney, *Business History*, 52:6 pp 912-931

<sup>66</sup> Jones, C. Hesterly, W. S., & Borgatti, S. P. (1997). A General Theory of Network Governance: Exchange conditions and social mechanisms. *Academy of Management Review*, 22(4), 911-945. p. 914

<sup>67</sup> Guttridge, George Herbert. *English Whiggism and the American Revolution*. Vol. 28. University of California Press, 1942 p.3

<sup>68</sup> Diederer, P. J. M., & Jonkers, H. L. (2001). Chain and network studies. *KLICT paper*, 2415.

business opportunities as ways of both mitigating risk and benefitting from opportunities provided by the war (marine insurance **brokerage**). This fits well with the definition developed by Jones, Hesterly and Borgotti (1997) who note ‘formal contracts may exist between some pairs of members’ but in informal networks mechanisms based upon ‘collective sanctions and reputation’ take priority over official regulation and legal enforcement.<sup>69</sup> The loosely-coupled structure of Eccleston’s network meant there was a degree of flexibility not enabled by the more formal partnership of a firm; the network allowed Eccleston to choose whether and how to enforce a debt or which person in the network to invite to join him in his various business ventures, meaning he could recruit from within his network for particular aspects or skills.<sup>70</sup>

#### IV

The late eighteenth century networks Daniel Eccleston worked within were built on a range of social conventions, so although serving a primarily business or business /political purpose the commonly-held social constructions of the period were fundamental to the working of these networks. Eccleston developed business-to-business trust based on an assessment of factors: esteem of the community, shared values, apparent liquidity, independence of thought, possession of knowledge and number of points of contact (friends-in-common). His refusal to do business with those who did not measure up to his norms and values was rapid and scathing:

If Jos. Morrismond calls on thee, thou may tell him it’s a matter of the utmost indifference to me, whether he’s suffered or pleased, that when I give him permission to draw on me I’ll honour his bills, but not before.<sup>71</sup>

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<sup>69</sup> Jones et al ‘Network Governance’ p.916

<sup>70</sup> Meijer, S., Hofstede, G. J., Beers, G., & Omta, S. W. F. (2006) pp 569-583

<sup>71</sup> LLLSC MS3734, Eccleston to William Eccleston 15 Aug. 1780

Eccleston's use of networks of friends-in-common who provided information on prices, trends and trade often allowed him to make links from separate items of correspondence; using information as a business planning tool helped him minimize risk. As Pearson and Richardson (2001) have shown: 'The cost of making mistakes when diversifying into new activities and entering new markets was likely to have been reduced by information sharing and collective action between capitalists.'<sup>72</sup>

Eccleston's new venture was based on his observation of a developing consumerism in the colonies, especially amongst women, for what Berg (1999) has described as 'semi-luxuries'.<sup>73</sup> His decision fits well with Hoppit's (2002) assertion that while numbers of merchants were relatively limited across Britain in comparison with other forms of trade, the most successful merchants were those who specialized as this allowed them to open up wider markets and to generate efficiencies of distribution.<sup>74</sup> Coming from the north-west of England himself and with family living in the region Eccleston was well aware of the rapid development of the west-coast ports and also the burgeoning production of luxury goods (fabrics, china, silverware) in the Potteries, Manchester and Sheffield. Regional ports had more warehousing space available and were cheaper than London;

'Your Mr Wilson says he thinks them [the commission charged in London] very extravagant (I think they deserve a much worse appellation)... [in Liverpool]

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<sup>72</sup> Pearson and Richardson (2001)

<sup>73</sup> Berg Maxine, (1999) 'New Commodities, Luxuries and their Consumers in Eighteenth-Century England' in Maxine Berg, Helen Clifford (eds.) *Consumers and Luxury: Consumer Culture in Europe 1650-1850* Manchester: Manchester University Press, 1999

<sup>74</sup>Hoppit, J. (2002) *Risk and Failure in English Business 1700-1800*, Cambridge: Cambridge University Press p.6.

several of the charges wouldn't have been one tenth what they are and others entirely omitted.'<sup>75</sup>

Furthermore the regional ports were accessible from the manufacturing areas on a developed canal network offering the opportunity to move goods from point of manufacture to the new ports at a reasonable rate and with the expectation of safe arrival.

Eccleston made it clear in a number of letters he intended remaining in England, 'Till these wars & rumours of wars are over'.<sup>76</sup> Whether by good fortune or perspicacity Eccleston had chosen the right moment to leave the West Indies; after his departure the situation in the region worsened rapidly as the French captured more British islands. His initial decision to settle in Liverpool must be seen in the light of his description of the city as 'a land flowing with milk and honey'.<sup>77</sup> In 1779 'Liverpool's mercantile connections were... local, regional, national, and international' the city was already part of an established and extensive trade network; an excellent choice for anyone wanting to trade across the Atlantic.<sup>78</sup> Liverpool had a far better inland infrastructure than Cumberland where Eccleston's parents were living. The Duke's Canal made access to Manchester straightforward and predictable and the city linked to a reasonably well-maintained network of turnpike roads.

Eccleston's first letters from Liverpool in 1780 were to friends, family and business contacts in the West Indies, containing news of his arrival in Britain, and the progress of other ships in the fleet with which he sailed as well as his inclusion in each

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<sup>75</sup> LLLSC MS 3734, Eccleston to Scott and Wilson, 8 March 1780.

<sup>76</sup> LLLSC MS 3734 Eccleston to Walker and Nash, Barbados, 3 Jan. 1780

<sup>77</sup> LLLSC MS 3734 Eccleston to Walker and Nash, Barbados, 3 Jan. 1780

<sup>78</sup> Pearson & Richardson, (2001) 'Business Networking', p.671

of his letters a request to be recommended as a trustworthy and reliable agent for planters in the West Indies:

If any of your friends are inclinable to ship Cotton or any other produce, I flatter myself I can execute a commission of that kind as much to their advantage as most houses [in Liverpool], and will be obliged to you for anything you may recommend in that line.<sup>79</sup>

It is here we see how closely the business and friendship network intertwined in eighteenth-century commerce for Eccleston had considerable sums of money due to him from Barbados and Antigua; amounting to more than £150 in addition to the bills he had procured prior to his departure and which would fund his start-up costs in Great Britain. As well as maintaining his existing network to provide a basis for his new venture as a merchant Eccleston had to develop contacts with suppliers in England for the luxury goods he intended exporting and contend with an effective closed-shop operating amongst existing Liverpool merchants. Eccleston often referred to problems in sending shipments to the West Indies as a result of the appropriation of space he thought he had secured by others whose cargoes had arrived more promptly at dockside or who had influential contacts.<sup>80</sup> Eccleston's failure to gain admittance to the Liverpool West Indies Association lay behind his eventual decision at the end of 1780 to relocate to the fourth largest port in the UK, the rapidly expanding Lancaster.<sup>81</sup> For those without the necessary connections to gain access to closed, elite networks the ability to become part of a kinetic network wherein actors have a high degree of autonomy is useful. If you can then use relationship management strategies to support the navigation of the paradoxes of this type of network then you are more likely to be

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<sup>79</sup> LLLSC MS 3734, Eccleston to Thomas Pearson and Company, Tobago, 3 Jan. 1780.

<sup>80</sup> LLLSC MS 3734, Eccleston to Joshua and Geo. Smith Manchester 8 Feb. 1780

<sup>81</sup> Downs (2004) 'Business Letters of Daniel Eccleston'

successful. Eccleston set about using his network as a means of sharing capital resources to produce mutual economic advantage and resolve his shipping problems; purchasing the lease on a ship from Joseph Harrison of Whitehaven.<sup>82</sup> Whilst Eccleston proceeded with the leasing of a vessel as a short-term solution to the shipping shortage, he continued to plan for the long term, and wrote to a business contact in Barbados:

I am now fixed in Liverpool and have some tho'ts of purchasing a vessel to be constantly in the Trade from hence to your island; cou'd wish to have her about half owned here and half in Barbadoes; and shall be glad, if it is agreeable for you to take an eight share. I can purchase and fit her out for about £800 and shall have two or three considerable houses here who are shippers to your Island concerned, so that I shall have no doubt of sending her out from hence a full vessel, and wou'd hope for yours and the rest of the ownery's Assistance in Barbadoes to have her also generally return full laden hence... If the above proposal meets with your approbation you'll please give me instructions who I shall value on here for £100.<sup>83</sup>

This letter offers an insight into the use of friendship and business networks in combining both to finance shipping and to ensure the space was well-used. Eccleston did not intend the owners of the ship would necessarily also be producers of goods to be shipped, but rather they would use their own networks to acquire goods for passage to Liverpool. In the same letter to his West Indies contacts Eccleston requested a remittance due to him to him for the bale of 'oznabys' he had sent out. This should be sent in 'coarse clayed sugar's' or 'good muscovado'.<sup>84</sup> The current sale price of such

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<sup>82</sup> LLSC MS 3734, Eccleston to Alexander Spittal, Whitehaven 9 Feb. 1780

<sup>83</sup> LLLSC MS 3734, Eccleston to Thomas Griffith, Barbados, 20 Feb. 1780

<sup>84</sup> Ibid

sugar in Liverpool was included in the letter. He requested the remittance be sent by the 1st August convoy at the latest (before the hurricane season), meaning Eccleston was not likely to receive his remittance until December 1780, nine months after despatch of the goods, a somewhat faster rate of payment than generally the case with ‘planters credit’ of between eighteen months to three years.<sup>85</sup> One of the hazards of Atlantic trade, even without a global war, was extended credit was usual and payment in goods meant changes in duty or market prices could have a detrimental impact on a business, one which had been exacerbated for contacts in Eccleston’s network by losses to shipping. As Sperling (1962) noted, in times of war ‘very likely trade would have halted without bills of exchange’.<sup>86</sup> Eccleston preferred Bills of Exchange over remittances in goods; by the end of 1780 Eccleston only offered his brother Isaac in Antigua the option of sending goods, every other person he traded with was asked to settle via a bill of exchange.

It is apparent from Eccleston’s letters he was ‘one for the ladies’, and this may have inspired him to deal mainly in high-value consumer goods in demand amongst English women in the West Indies.<sup>87</sup> These goods required little shipping space and could take a high mark-up; increasing profitability to Eccleston. Furthermore, such items could be sold to local retailers in the West Indies for cash, enabling remittances to be sent by bill of exchange. Eccleston’s initial orders to manufacturers on his arriving in Liverpool included fifty pieces of patterned cotton fabric (the patterns were to be small) and £30.00 worth of fashionable hats, each individual hat to cost between 5/- and

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<sup>85</sup> Sheridan, R. B. (1960). The British Credit Crisis of 1772 and the American colonies. *The Journal of Economic History*, 20(02), 161-186 p. 167

<sup>86</sup> Sperling, J. (1962). The International Payments Mechanism in the Seventeenth and Eighteenth Centuries. *The Economic History Review*, 14(3), 446-468.p. 455

<sup>87</sup> FHL TEMP MSS 145/1 Eccleston to Joshua Holt 13 April 1781 where he asks his friend to ‘Kiss the pretty girls for me’

10/-.<sup>88</sup> He also ordered a considerable quantity of bunting (ribbon) in assorted colours from a manufacturer in Warrington.<sup>89</sup> Later orders included decorated combs (for putting up hair), and mirrors, fashion plates (illustrations of fashionable costume), costume jewellery, wallpaper and sprig muslin.<sup>90</sup> Eccleston's familiarity with the hazards to which soft goods might be exposed to on the voyage is apparent, for he commented he would have the items securely re-packed in Liverpool, ensuring the cargo would arrive unstained by salt water, and saleable.<sup>91</sup>

Eccleston used other means to strengthen his network and improve its effectiveness. Whenever anyone of consequence from the Caribbean, no matter how remote the connection, visited the north-west of England, Eccleston visited them. This seems to have been common practice amongst overseas traders. The visit was reported in correspondence with the islands and to his network in England. The new acquaintance would carry letters and commissions back to the West Indies. Eccleston also included overseas visitors in his business trips; introducing them to contacts such as MPs, manufacturers and traders.<sup>92</sup> Such trips allowed him to highlight the level of trust with which he was regarded both in England and the West Indies and enabled him to include a wider range of actors in his self-organising network as well as providing him with a degree of control over which interactions took place amongst those in his network. Eccleston showed a strong degree of strategic thinking in network and relationship management which is important in understanding how a kinetic network

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<sup>88</sup> LLLSC MS 3734, Eccleston to Joshua and Geo. Smith, Manchester, 4 Feb. 1780, Eccleston to Robinson and Heywood, Manchester 4 Feb. 1780.

<sup>89</sup> LLLSC MS 3734, Eccleston to Nathan Booth, Warrington, 4 Feb. 1780.

<sup>90</sup> Eccleston also shipped out 180 dozen Queensware plates, a bale of 'oznaby' (coarse linen cloth for slave-wear) and a second chest of combs in February 1780

<sup>91</sup> LLLSC MS3734, Eccleston to William Eccleston 20 July 1780, Eccleston to John Bispam, Barbados, 20 Feb. 1780.

<sup>92</sup> FHL TEMP MSS 145/1, Eccleston to Isaac Eccleston, Antigua, 1 Nov. 1781

can be used as a tool for ‘value creation and delivery’ by entrepreneurs.<sup>93</sup> Nevertheless, for Eccleston, and perhaps for many of his contemporaries, knowing an individual was personally trustworthy was sometimes insufficient grounds for inclusion in his business network. The factors influencing Eccleston’s decision making regarding his network are especially evident in Eccleston’s reply to his old friend and drinking partner, Joseph Jordan of Bridgetown, who requested Eccleston ship goods to him on commission.

Eccleston responded graciously, but firmly:

I wou’d ship you the goods as soon as any person in Barbadoes but your Invo’ will amount to four or five hundred pounds, and the uncertainty of Remittances arriving safe at these precarious times, deters me from venturing anything material abroad at present, besides I wou’d beg leave to observe, the commission of 2½ pcent is not an object worth any persons while giving credit for at so great a distance from home, whatever I risked that way shou’d choose to send it on my own account in hopes of something more considerable.<sup>94</sup>

Williamson (1985) emphasized international trade was a cycle of political and economic exchange relations, highlighting a wide range of social and political factors affecting trade; this was clearly the case for Eccleston.<sup>95</sup> The cycle of political relations was not favourable for trade across the Atlantic and the range of political factors affecting trade was far greater in uncertain times. To a large degree the number and type of networks to which an individual belonged had a bearing on the extent to which the hazards surrounding trade could be negotiated successfully. Williamson (1999) noted organization (of individuals by individuals) was the solution to many of the problems of trade caused by social and political factors; ‘Specifically, the cognitive

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<sup>93</sup> Ritter, Wilkinson and Johnston (2004)

<sup>94</sup> LLLSC MS3734 Eccleston to Joseph Jordan, 13 Oct. 1780.

<sup>95</sup> Williamson, O. E. (1985). *The Economic Institutions of Capitalism*. New York: Simon and Schuster.

limits and contractual hazards to which human actors are subject are relieved by specialization and governance, respectively'.<sup>96</sup> Eccleston's networks were informal, and not subject to any official type of governance. However, unwritten contractual obligations were honoured, and friendship among the network actors provided for a form of governance which was powerful in ensuring norms and values were maintained. Friendship was part of the trust-building and trust-maintenance allowing successful networks to be established and developed even during times of political and social upheaval.<sup>97</sup> Eccleston's trading and diverse network of contacts allowed him and his network to benefit socially and economically from a loose form of organization, built on trust. Using a network method of organization has advantages over more formalized, bureaucratic structures, in allowing different parts of the network to be accessed for different purposes, which helps rapid responses to problems be developed.

Despite the difficulties of trading with a war zone Eccleston would have made a handsome profit from his first two years trading in England. He achieved a turnover of more than £2,400 on his Atlantic trade in his first twenty months in Britain, and in addition had income from trade in England, his new insurance brokerage business, established in 1781 and from his developing Baltic and Mediterranean trade. As a result of the hurricane in Barbados in 1780 Eccleston changed his business strategy, focussing instead on the tertiary sector and insurance brokerage after moving from Liverpool to the smaller, but thriving, port of Lancaster;

Have since then commenced Insura. Broker, A business by which I'm informed  
3 or 4 hundred pounds a year has been obtained here; and I hope to make £100

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<sup>96</sup> Williamson, O. E. (1999). *Human Actors and Economic Organization*. Università di Siena, p.1

<sup>97</sup> Smelser, N. J. (2013). *Social change*

to a £150 or perhaps more, without running any risk or employing any capital.

The commission on the first two policies I set out with will amount to £22.<sup>98</sup>

Eccleston knew insurance was a profitable area of investment and decided brokerage would reduce his business risks while at the same time allowing him to benefit from the estimated £30,000 profits the underwriters in Lancaster were expecting to make if the Jamaica and Windward fleet arrived safely back in port (they did).<sup>99</sup> The ability to move from one type of business to another untrammelled by regulation and without the need of large amounts of capital has to have been a significant factor behind the rapid expansion of trade and industry in the late eighteenth century but this ability was clearly facilitated by the existence of a well-established network of trust. Eccleston was trusted to broker marine insurance because he was known to have previous experience as an underwriter, was known to have successfully traded across the Atlantic in difficult times, was known to honour his bills of exchange and to settle accounts and most importantly was known to be part of a successful network supporting the norms and values required for sustaining a profitable business.

### **Conclusion**

This paper has illustrated the role of kinetic networks as a tool for managing risk and developing mutual economic advantage, showing entrepreneurs in the late eighteenth century could be successful even during global war if they could accurately predict market trends, negotiate around closed networks, collect money owed without

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<sup>98</sup> FHL TEMP MSS 145/1, Eccleston to William Eccleston, Whitehaven, 14 July 1781.

<sup>99</sup> Downs (2004) 'Business Letters of Daniel Eccleston'

recourse to the legal system and respond rapidly to changing circumstances. Managing these things required an effective network of knowledge sharing and mutual support. Eccleston and his contemporaries were part of an extremely complex trust-based network society. The commercial networks of Eccleston's period were nurtured and nourished over time, providing the stability and security, fostering continued commercial growth. The role of trust as glue holding networks together; an 'economy of regard', is an additional element, important even today, but for merchants in the late eighteenth century it was a vital adjunct to the information provided by the networks to which an individual belonged.<sup>100</sup>

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