THE "SKEPPSBRO NOBILITY" IN STOCKHOLM'S OLD TOWN 1650-1850
A RESEARCH PROGRAM ON THE ROLE AND SIGNIFICANCE OF TRADE CAPITALISM IN SWEDISH ECONOMY AND SOCIETY

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The purpose and disposition of the program

The purpose of the program *The “Skeppsbro Nobility” in Stockholm’s Old Town 1650–1850* is to investigate how merchants introduced a modern economic and social behavior in the Swedish economy and what this dynamic element meant for Sweden’s economic and social development in the long term. Modern economic behavior is understood in relation to two sets of problems that will be a focal point for research within this program.

In the first place an entrepreneurial, profit-maximizing behavior which contributed to the dismantling of the conservative institutions of the guilds is meant: wholesale merchants organized a businesslike private credit market during the entire period; invested in and supported manufactories which carried on industrial production on a larger scale, in conflict with the guilds; and financed and organized the export of Swedish bar iron.

In the second place, modern social and economic behavior is understood as the significance of the wholesaler in introducing new impulses from Europe, which in turn contributed to creating changed preferences and a nascent domestic market during the 19th century. The diffusion of the so-called revolution in consumption (McKendrick 1982) that arose in 18th-century England is considered to be of major significance in this context. New habits of consumption spread to the Scandinavian region thanks to the fact that merchants imported new items to Sweden, but also because the wholesalers themselves practiced so-called conspicuous consumption. By acting as consumers of luxury products and by presenting new, exciting wares, they profiled themselves as a social group on the rise, in competition with the true aristocracy.

The program’s theoretical points of departure are to be found in the classic Dobb-Sweezy debate, in Fernand Braudel’s well known study *Civilization and Capitalism 1400-1800* and in the last decade’s theoretical studies of consumption patterns. Following the Dobb-Sweezy debate and its reverberations, foreign trade and merchants were seen as the central promot-
ers of the pre-industrial development that took place in the period between the Middle Ages and the Industrial Revolution. Braudel also considered the trade capitalists as a progressive element in the long transformation connected to the breakdown of feudal society. He differentiated between a market economy and capitalism, which in his view were governed by different sets of rules. Capitalists played the role of coordinating independent regional economies (the market economy) with the help of long-distance trade. The profit-maximizing behavior of capitalism often came into direct conflict with local guilds and in a number of ways had a destructive effect on *l’ancien régime* – the value system of older society where each and every one had their given place.¹ In my view, it would be fruitful to combine this earlier analytical framework in economic history with comparatively modern research on the birth of consumer society, with its emphasis on the role that changed preferences played in social and economic development. Recent research concerning the spread of the most advanced markets in the guise of new merchandise, changed preferences and patterns of consumption, as well as internationally established conceptions of quality, has not previously been applied in connection with the actors in foreign trade in the Scandinavian and northern German periphery.²

The investigation itself will be restricted to the leading trade houses in Sweden: that is the “nobles” of Skeppsbron in Stockholm.³ The nobles of Skeppsbron is the term used to describe those merchants who lived and carried on business along this Stockholm bridge – the so-called Skeppsbro Row – during the 17th, 18th and 19th centuries. They were generally wholesale merchants, often of foreign extraction, and were able to establish considerable wealth, above all through the export of bar iron where Sweden dominated the world market until the end of the 18th century.

The investigations in this research program will be carried out jointly by the Department of Economic History at Uppsala University and the Committee for Research on Stockholm.

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¹ See Farge A 1989.


³ The denomination “Skeppsbroade” (Skeppsbro Nobility) probably originates with Forsstrand C 1916, 1917.
Previous scholarship and issues considered in the present research program

The “nobility” of Skeppsbron and wholesale trade have been assigned major significance as a dynamic factor in the Swedish economy in previous scholarship. The role of foreign trade for the introduction of the entrepreneurial behavior of international trade in Sweden has most recently been emphasized in Lars Magnusson’s survey on Sweden’s economic history.¹⁴

The central role of wholesale trade, as depicted in theoretical analyses and general surveys on economic development, does not correspond to the amount of research that has actually been carried out. In spite of the great significance of trade capitalism for the manufacture of and trade in iron and the importance of wholesale trade in the initial phase of Swedish industrialization, comparatively little research has been done on the subject. Basic research on wholesale trade is dominated by older studies which, on the basis of relatively undeveloped scholarship, presented it in a general and descriptive manner. The central figures of an older scholarly generation still dominate this field of research within economic history: Eli F. Heckscher, Bertil Boethius, Kurt Samuelsson and Torsten Gårdlund, whose works were published during the 1930’s and 1940’s. The pioneering works on wholesale trade from the 1950’s and 1960’s also include research on the Swedish iron trade. Karl-Gustaf Hildebrand’s and Artur Attman’s contributions in Fagerstabruks historia, also summarized in Svenskt järn, as well as Rolf Adamson’s dissertation from the end of the 1960’s, should be included in this category. Sven Fritz, Staffan Högberg and Rolf Wallerö belong to the same period. In addition, Bertil Andersson’s (Göteborg), Maurits Nyström’s (Norland), Sven-Erik Åström’s (Finland before 1809) and Gunnar Fridlizius’ (Skåne) studies, which analyze wholesale trade in relation to Sweden’s most important regional economies with the exception of the southern east coast, should be mentioned. The publications of the last few years by, among others, Christina Dalhede, Jan Kuuse, György Nováky and Leos Müller are comparatively restricted in relation to the research in economic history that has dominated the field.

What we in broad terms can determine based on these works is that Swedish wholesale trade had a significant foreign component in the guise of English, German and Dutch merchants, and that export was markedly one-sided and based on a small amount of staple goods while import on the other hand was differentiated; we also know that the degree of specialization was low, but that trade activity was complemented by shipping, banking and sometimes the production of goods. In addition, wholesale trade was characterized by the principle of purchasing cheaply while selling at a high price. The length of the trade houses’ life cycles was extremely variable, and many firms were comparatively short-lived. Our knowledge of the significance of trade for other forms of activity is primarily restricted to its importance for the marketing and financing of the iron works, and to the merchants’ considerable significance for the credit market as a whole.

What is lacking, however, is knowledge about how the import of goods was organized and implemented in the Swedish economy. Similarly, assertions concerning the significance of the trade houses in relation to the production of goods (artisanal and manufacturial products) – as a catalyst, as importers of raw materials and as financiers – are seldom based on systematic primary research. Finally, the extent of our knowledge is especially undeveloped in relation to Stockholm, particularly in comparison with Göteborg, which has recently been the subject of a modern study.

On the basis of previous research, the two approaches to the problem introduced earlier have been developed in relation to those merchants and trade houses to be investigated.

I. The Skeppsbro nobles as trade capitalists:

Only those actors engaged in international trade combined detailed knowledge of internationally available goods, their price fluctuations and transport costs, with a knowledge of domestic demand. Wholesale merchants were informed about different markets and were able to provide other important contacts as well. Trade was constructed around personal and confidential relationships to both producers and consumers. Larger trade houses also acted as intermediaries and gave turnover credits which were the basis for all advanced exchange of merchandise. In the program the role of
the Skeppsbro nobles as bankers, as putters-out to petty producers, and as industrial financiers and founders of industry is investigated.

1. The Skeppsbro nobles as bankers: Previous research has unequivocally demonstrated that wholesale merchants took on a central role in the credit market as bankers and in putting-out to petty producers, and that they financed their activity through large networks of credit connections. They were also prominent figures in the official credit system, which increased in importance from the latter half of the 18th century. Two modern studies of the financing problems of the early wool industry nevertheless indicate that one must be aware of the underlying structure of the need for capital in order to correctly interpret the role and place of trade in the comprehensive debt picture.\(^5\) Another problem that has been debated is to what extent it was in the interest of trade to bind up producers and retailers through long-term loans within the so-called purchase and putting-out systems. Several current studies show that merchants did not always strive for increased debts or one-sided relationships of putting-out. A third area of study is the role of merchants as industrial financiers and founders of new industries during the 19th century.\(^6\) In spite of fairly comprehensive previous scholarship, not much is known about the role of merchants as bankers, in putting-out to petty producers and as financiers of manufactory production and artisanal products (with the exception of financing iron works). In addition there are a large number of sometimes contradictory hypotheses that most often are simply based on examples. It would seem to be an important task to investigate, on the basis of present knowledge, how the credit networks were constructed and what significance credits from wholesale trade had within different types of production and within the retail network.

2. The role of the Skeppsbro nobles in putting-out to petty producers, as founders of industry and as industrial financiers. The role of wholesale trade for industrialization and the development of the early factory system during the 19th century is tied partly to the debate about so-called proto-industrialization, and partly to a somewhat more restricted discussion


\(^6\) Gårdlund T 1947; Schybergson P 1977.
about the role of trade capitalists as founders of industry and investors. The leading entrepreneurs of the early textile industry at the beginning of the 19th century were merchants who combined different types of production (weaving mills, dye-works, proto-factories) with commercial activities (the purchase and sale of raw materials, yarn, prepared and unprepared textiles). In a comprehensive perspective, the significance of wholesale merchandising and its connection to cottage- and factory industries are in large part unstudied for the case of Sweden, in spite of the fact that international research has devoted great efforts to the investigation of such connections.

II. The Skeppsbro nobles as intermediaries for new products:

Wholesale trade probably played a decisive role in the transfer of international impulses to Scandinavia. The wholesalers affected conceptions of taste and quality and the dissemination of new wares as they and only they combined knowledge of foreign advances in the technical and commercial spheres with knowledge of changes in demand in the dawning Nordic domestic market. This should have been especially important for the dissemination of goods of all kinds in peripheral areas, such as Scandinavia, which were characterized by small populations distributed over a large geographical area. These many but small markets, that is small clusters of population which were spread over large distances in areas with very pronounced regional traits, meant that commercial knowledge and competence were of greater significance for the emergence and development of the domestic market in Scandinavia, than they might have been in many other places.

1. The Skeppsbro nobility as importers: As has been noted, there is general agreement in previous research that the Swedish export trade was comparatively one-sided while imports were strongly differentiated. Recent findings also support the supposition of Samuelsson that wholesale

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7 A current survey of proto-industrial research is Cerman M, Ogilvie C 1996; a large number of central articles on the contribution of wholesale trade to the Industrial Revolution are reprinted in Trade and the Industrial Revolution 1996.

8 Nyberg K 1999.
trade was largely non-specialized. The principle was to purchase cheaply and sell expensively, and to make sure that the ships never travelled without cargo between their different destinations. The distribution of imported goods is known in broad terms through the publication of primary sources by Heckscher and Boethius for the period 1637-1737 and through printed statistics. However, with the exception of porcelain and textile raw materials, the types of goods – and therewith connected norms of quality and uniformity – which individual firms or groups of merchants brought in and who the purchasers in the retail network were are not known. Such imports, knowledge and competence within specific areas can have been significant for the origins of the domestic market industry and ought to have contributed to shaping Swedish conceptions of what should be considered as good taste and what was held to be of high quality in a long-term perspective.

2. The Skeppsbro nobles as consumers: Scholars such as Beverly Lemire, Carol Shammas, Lorna Weatherill and Neal McKendrick have all discussed the significance of conspicuous consumption among the leading social and upwardly mobile strata in society. Even if one criticizes, as Weatherill does, suppositions concerning patterns of consumption and changed preferences as a direct consequence of lower social groups imitating the upper classes, most scholars nevertheless agree that prominent social strata or strictly restricted groups often mark their particular traits through articulated preferences and behaviors within the group, as well as through noticeable styles of clothing. Swedish research unequivocally indicates that the Skeppsbro nobles constituted a group which considered itself socially prominent and successful and which competed with the nation’s aristocracy. Through such strongly pronounced self-assertion – marked through clothing, the wasteful use of expensive and exotic consumption products, building and the concomitant decoration of buildings and interiors, as well as eating habits – there is good reason to suppose that new habits of consumption and internationally established conceptions of status and quality were introduced to Sweden by the Skeppsbro nobility. Such changed preferences can have been significant for the development both of production and quality within handicraft and the consumption goods industry during the 19th century. The significant problem is thus to investigate and identify the changed consumption patterns of the Skeppsbro nobility and to try to trace their dispersion to other social groups, to an altered domestic production of goods in manufactures and
handicrafts as well as to identify general changes in the conception of quality.

**Investigations within the research program**

The main theses of the research program will be investigated for the period covering the mid-17th century to the mid-19th century. The main emphasis is on what the Skeppsbro nobility introduced and developed in the Swedish economy and business culture. The questions are operationalized in two main types of investigations, which correspond to the problems previously outlined. In addition, certain basic investigations will be carried out, whose purpose is to identify the Skeppsbro nobles as a social group.

**The Skeppsbro nobles as a social group:**

In the present study the Skeppsbro nobles are considered as a well-defined social group within the bourgeoisie. As such this group took part in the process whereby influence from the unpropertied social groups (civil servants, burghers) increased at the expense of the aristocracy. The emergence of the leading wholesale merchants’ families and their reproduction as a social group has primarily been discussed from the perspective of systematic family alliances and in connection with the structure of credit connections. Most recently, Müller has suggested a distinction between short-term profit-maximization in relation to social reproduction on a long-term basis. The latter relates to the traditional conception that wholesalers in the long run tended to transfer to other types of activities once they had established a fortune (a risk-minimizing strategy). Other suggestions are that they reduced their risks by broadening their activity through complementing foreign trade and shipping activity with the production of goods and banking activities. Anita Göransson has shown that family alliances played an important part for the creation of capital in the expansive phase of the early clothing industry in Norrköping at the begin-

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ning of the 19th century. Many leading actors in this environment combined wholesale trade with industry in the early phase of industrialization. There is in broad terms a scholarly consensus indicating that family alliances within the merchant bourgeoisie were a means of creating personal networks and trustworthy, long-term credit relationships. It is, however, still an open question how these alliances were structured in concrete terms and what significance different strategies had in the total picture.

Operational definition: The Skeppsbro nobility is, in the present research program, defined as those wholesale merchant households that were registered as conducting trade in buildings found on the blocks along the Skeppsbro in Stockholm’s Old Town (Gamla Stan), that is a total of 20 blocks. An operational definition of who they were and how they developed numerically is lacking in previous scholarship. The first task of the research program will therefore be that of operationalizing the concept – Skeppsbro nobility – to a limited group of wholesale merchants’ families. In the program, as the following points of departure will show, not only men functioning as wholesale merchants, but also women, children and elderly people will be investigated. The mapping of this social group is not empirically complicated.

I. Investigations of the Skeppsbro nobility as trade capitalists:

1. The Skeppsbro nobility as bankers: According to earlier research, wholesale merchants were the most important actors in the private credit market. The significance of the Skeppsbro nobility as bankers and financiers and for putting-out to petty producers will be investigated through a mapping of their credit relationships. These will be determined and measured through the use of bankruptcy material. The method is to study the regulated claims of the Skeppsbro nobility in bankruptcy cases. Similarly, to the extent that it is possible, what lies behind these claims will be investigated: cash loans, a bill for delivered goods or a relationship of putting-out to petty producers. All bankruptcy proceedings for certain strategically interesting social groups will be investigated. The relevant social strata are certain branches of retail merchants, artisans and manufacturists who

\[10\] Göransson A 1990.
bought merchandise from wholesalers. Inversely, it should also be interesting to study the banking functions of the Skeppsbro nobility for social groups that did not purchase imported goods. The basic excerpting of this material will be carried out by the excerpting organization tied to the Committee for Stockholm Research.

2. *The Skeppsbro nobility in putting-out to petty producers, as founders of and financiers for industry:* The role of trade in the production of goods is readily seen from the previously mentioned series of primary sources. *Probate inventories* generally show the ownership connections that can be observed through the transfer of property from one generation to another. Both relations of putting-out to petty producers and the provision of business credit to industry can also be investigated in bankruptcy cases. The Manufacture Discount Bank *account settlement registers* effectively highlight, as Gårdlund has shown, the involvement of trade in industry’s financing of working capital for the end of the period. Since the relation to the iron works is comparatively well known, the Skeppsbro nobility’s relation to the consumer goods branches will be the primary focus of the investigation.

II. *Investigations of the Skeppsbro nobility in the introduction of new wares:*

1. *The Skeppsbro nobility as importers:* The Skeppsbro nobility were responsible for an extensive import of raw materials, semi-produced and finished goods into Sweden’s economy. While export was one-sided and restricted to a limited number of staple goods, import was, as mentioned, strongly differentiated. As is evident, the import of finished consumption goods, as well as raw materials and semi-produced goods that were used to produce consumption wares, is of great significance in the present research program. The wholesalers imported silk, cotton and wool for the needs of manufacturies and craftsmen – both within and outside of Stockholm. Included were also significant amounts of semi-produced goods such as different types of yarn. Ready-made consumption goods, for instance various textiles, found their primary purchasers in the retail merchant network. The total composition of imports to Sweden has been accounted for in previous research. The most important task of this program is thus to determine which import goods the actors within the Skeppsbro
nobility concentrated on and to which actors these imported goods were sold. This can be seen on an individual level for every incoming ship in the annual so-called “tolag” accounts. The significance of the Skeppsbro nobility as importers will be highlighted through an intensive excerpting of the “tolag” accounts for a representative selection of investigated years.

2. The Skeppsbro nobility as consumers: While the Skeppsbro nobility introduced the consumption goods of the advanced countries to consumers in Sweden, they also played a part in stimulating and developing new habits through their own patterns of consumption. Previous research has shown that the Skeppsbro nobility developed advanced interior decoration and thereby contributed to stimulating the development of a domestic consumption goods industry and of advanced artisanal work. They also marked their high social status through elaborate clothing, expensive habits and through the purchase of sophisticated foodstuffs. Merchants were also significant in the context of artistic patronage. The consumption patterns of the Skeppsbro nobility itself and their change over time will be studied through the use of probate inventories for both men and women. How the consumption patterns of the Skeppsbro nobility affected, and eventually were dispersed to, other social strata will be discussed through a systematic mapping of probate inventories for the social groups. This will provide a comparative basis for the consumption patterns of the Skeppsbro nobility.

Reporting and publication of program results

The program will be carried out through cooperation between the Department of Economic History, Uppsala University and the Committee for Stockholm Research, the city of Stockholm.

The program will be led by the author of this proposal. I am an Associate Professor of Economic History and Research Secretary for the Committee for Stockholm Research. Two graduate students will work within the program on a full-time basis. One graduate student and one post-doctoral researcher with competence in the relevant field of research will also be engaged on a part-time basis. These co-workers have primarily been recruited at the Department of Economic History in Uppsala.

In addition, certain excerpting will be carried out by the excerpting organization connected to Stockholm’s Municipal Archives and to the Com-
mittee for Research on Stockholm. This activity is supervised by the Associate Research Secretary of the committee, Carl-Magnus Rosell.

The results of the investigations will be presented in several phases. The basic documentation will be published in the form of research reports. A more extensive account of results from the separate problems outlined above will be published as papers at Swedish, Nordic and international scientific conferences and thereafter printed as articles. In addition, the program is expected to produce two Ph.D. theses in the Acta-series of the Department of Economic History, Uppsala University, which presently as a routine matter are preceded by unpublished Master’s theses (Sw. “licentiatavhandlingar”). The final product, which will summarize and synthesize the results of the entire program, will be published in the form of a monograph in the series of Stockholm Monographs.
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