PROVINCIAL BANKING IN NINETEENTH CENTURY ENGLAND: YORK CITY & COUNTY BANKING CO., 1830-1880

Thesis submitted for the degree of Doctor of Philosophy at the University of Leicester

by

CHERYL BAILEY

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September 2003

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ABSTRACT

During the nineteenth century, the English provincial banking system transformed from a fragmented base of private firms into a sophisticated, integrated money transfer system dominated by joint-stock banks. This thesis analyses this development over the mid-century's critical years by focussing on a particular institution – York City & County Banking Co., one of the first joint-stock banks to be established in England. Examination of the bank's history between 1830 and 1880 addresses two broad themes: banking in a rural community until 1870; and, the rise of an industrial and commercial commitment thereafter.

The first forty years of the bank's history might, conveniently, be described as its 'agricultural phase'. Until 1870, it serviced the agricultural communities and market towns of Yorkshire's North and East Ridings. In many regards, the business was conducted like that of a private house, particularly in terms of the clientele attracted, management's policy towards advances, and the staff recruited. What made it unusual was the propensity of the bank's management to branch from commencement.

Over the late nineteenth century, York City became increasingly representative of the banking system as a whole as other provincial banks also began to initiate branch networks. In response, York City's management applied a strategy of developing custom in industrial Yorkshire and the north east. Consequently, the 1870s ushered in a period of transition and change. The opening of the Middlesbrough branch in 1871, and the subsequent policy of expansion pursued under the direction of the new general manager, William Wilberforce Morrell, involved the bank directly in industrial finance, taking it for the first time into an investing rather than saving area. Amalgamation and consolidation typified the bank's post-1870 years. An increased standardisation of business practice in line with other banks, a tendency towards 'bigness', and the increasing professionalisation of the establishment all pointed towards the adoption by York City's management of the 'corporate form'. Within fifty years, York City & County Bank grew from being a modest country bank to become one of the country's largest provincial joint-stock concerns.

The bank house, Selby, York City & County Bank.

CONTENTS

LIST OF TABLES

LIST OF CHARTS

LIST OF APPENDICES

ACKNOWLEDGEMENTS

My grateful thanks go first and foremost to my supervisor, Phil Cottrell, without whose unceasing support and enthusiasm I would not have completed such a project.

I would also like to thank Edwin Green & Sara Kinsey at HSBC Archives, London, who allowed me full access to the records of York City & County Bank, and offered useful suggestions and guidance throughout.

My thanks are also due to Lucy Newton who offered me much needed encouragement during the early phase of my work.

I am also grateful to Sandy Pearson who helped immensely with the building of my database.

Thanks also to my long-suffering colleagues, Simon and Steve, who have shared an office with me for more years than I care to remember.

And last, but not least, my very special thanks go to Mum, Dad, Helen and Grandad, and also Jo, Jason and Gemma, Toni, Ian, Sam F. and Cheryl for their ongoing support and encouragement and without whom I could not have done this. Special thanks must also go to Liam, Janet, Phil, Sam D. and Claudine who have been there constantly. To you all I owe a tremendous debt of gratitude.

This thesis was completed through generous assistance from the Economic & Social Research Council for which I am extremely grateful.

Parts of this thesis have been presented in various forms including:

Publications:

'Financial journals of the past: The Circular to Bankers', *Bulletin: Newsletter of the European Association for Banking History*, (1999).

'An exception to the rule: branch banking and staff recruitment, York City & County Banking Co, 1830-c.1870', *Business Archives: Sources and History*, No.82, (November, 2001).

Conference Papers:

'Branch banking: York City & County Banking Co, 1830-c.1870', *Economic History Society residential training course for PhD students in Economic and Social History*, Chancellors, University of Manchester, (December 2000).

'Branch banking: York City & County Banking Co, 1830-c.1870', *Financing Growth: Institutional Development of the Financial Service Sector, 1700-1970. Reading University Workshop*, Centre of International Business History, Reading University, (24 November 2000).

'Recruitment, retention and control: meeting staffing needs of branch banks in the nineteenth century', *Responses to Innovation, Association of Business Historians Annual Conference,* University of Portsmouth, (29-30 June 2001).

'English nineteenth century provincial banking: York City & County Banking Co, 1830-1901', *New Researchers' Session, The Economic History Society Annual Conference,* University of Birmingham, (5-7 April 2002).

My thanks go to the editors and conference participants who kindly commented on earlier drafts of this work.

For Grandad

CHAPTER 1

THE PRIVATE BANK TRADITION AND THE RISE OF JOINT-STOCK BANKING

'Subscribers to the new joint stock banks...will surely be liable to have writs of execution sent into their houses – their very beds seized – themselves carried to prison – and to like horrors detailed by the public press of London' wrote R. Conway in his *Treatise on the Impolicy of a Loan Banking Establishment* of 1825. This dramatic announcement was symptomatic of the rumours and malicious prevarications that were made and widely circulated amidst the 1825-6 crisis to frighten people from becoming shareholders in, or customers of, the new institutions. Without doubt, the joint-stock bank was *the* arrival on the English financial scene during the mid-1820s. However, the advent of the banking company was not popular with all, not least the private bankers who recognised that the establishment of these new institutions sounded the death knell for their monopoly over banking provision in the provinces.

Private Banking in England

The private banking tradition was long-established in England as Crick and Wadsworth illustrate: 'by the beginning of the nineteenth century there were banking firms in England which could claim a history extending over two hundred years'.[1] Oldest of them all were the London private bankers, some of whose houses pre-dated even the Bank of England, established in 1694. Given that communication and transport connections were in their infancy during the seventeenth and eighteenth centuries, the London bankers made no effort to branch into the provinces. Equally the Bank of England took no action in filling the countrywide gaps in banking provision by establishing branches, even when the coaching road overcame, in part, transport restrictions. In the absence of London enterprise the provision of urgently needed currency and banking facilities was undertaken through the restricted financial and personal resources of different districts. In Crick and Wadsworth's words 'it was thus partly an accident of

[1] W. F. Crick and J. E. Wadsworth, *A Hundred Years of Joint Stock Banking*, (1936), p.11.

complacent monopoly that the country banker became a familiar figure in most English towns'.[2]

The geographical distribution of the earliest provincial private banks is revealed in table 1.1 which shows the dates when the first was established in each English county:

Table 1.1 The dates when the first private country banks were established in each of the English counties[3]

Bedfordshire	1799	Leicestershire	1776
Berkshire	1780	Lincolnshire	1754
Buckinghamshire	1785	Middlesex	1791
Cambridgeshire	1754	Norfolk	1756
Cheshire	1783	Northamptonshire	1783
Cornwall	1788	Northumberland	1755
Cumberland	1784	Nottinghamshire	1688
Derbyshire	1771	Oxfordshire	1771
Devon	1696	Rutland	1798
Dorset	1783	Shropshire	1783
Durham	1772	Somerset	1754
Essex	1774	Staffordshire	1757
Gloucestershire	1716	Suffolk	1716
Hampshire	1772	Surrey	1768
Herefordshire	1783	Sussex	1783
Hertfordshire	1783	Warwickshire	1762
Huntingdonshire	1793	Westmorland	1788
Isle of Wight	1771	Wiltshire	1760
Kent	1700	Worcestershire	1762
Lancashire	1771	Yorkshire	1754

[2] *Ibid.,* p.12.

[3] Data extracted from Margaret Dawes and C. N. Ward-Perkins, *Country Banks of England and Wales*, (2000), p.10 & pp.30-671.

As table 1.1 shows, the beginning of provincial private banking was concentrated in the 40 years between 1748 and 1788 when all but nine of the English counties saw the establishment of their first private banker. The first to be established in Yorkshire was Ellison, Cooke, Childers & Swan; according to Leighton-Boyce, the firm 'had existed as a bank since 1750'.[4] Ellison & Co. were based at Doncaster in the West Riding. After a number of changes in partners, it was eventually purchased by Beckett & Co. of Leeds in 1868. The first private bank to be formed in the East Riding was Joseph Pease & Son, established at Hull in 1754. Such was the demand for banking provision at the port that Pease commented that the firm had been met with 'greater Encouragement than we expected'.[5] Moreover, his son-in-law Robert Robinson expressed his 'pleasure to see that you & Brother are now Jointly concerned in the Banking way' commenting that 'I think the Scheme is a good one and likely to answer much better than purchasing Lands'.[6] In fact, as Jackson comments, 'he knew little that his infant son Joseph would eventually control a banking and business empire with assets exceeding half a million pounds'.[7] The house later became known as Pease & Liddells, and in 1894 it merged with York Union Bank which was to become a constituent of Barclays.

The banking habit was quickly adopted in Yorkshire as table 1.2 shows:

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[4] J. A. S. L. Leighton-Boyce, *Smiths the Bankers 1658-1958*, (1958).

[5] J. Pease & Son to Robert Robinson, 8 October 1753; *WH* 59/58/47 quoted in Gordon Jackson, *Hull in the Eighteenth Century. A Study in Economic and Social History*, (1972), p.210.

[6] R. Robinson, Manchester, to J. Pease, 9 February 1754; *WH* 59/58/45 quoted in Jackson, *Hull in the Eighteenth Century,* p.210.

[7] Jackson, *Hull in the Eighteenth Century,* p.210.

Table 1.2 Number of private country banks in existence in English counties, 1780-1850[8]

	1780	1790	1800	1810	1830	1850
Bedfordshire	0	0	2	3	4	2
Berkshire	1	7	10	16	7	6
Buckinghamshire	0	1	4	9	5	3
Cambridgeshire	2	4	4	8	7	4
Cheshire	0	2	2	10	8	6
Cornwall	3	7	9	22	10	7
Cumberland	0	4	6	18	8	3
Derbyshire	7	8	8	13	9	5
Devon	3	14	18	44	24	16
Dorset	0	6	8	13	10	4
Durham	6	9	9	8	5	4
Essex	1	3	5	14	9	7
Gloucestershire	1	11	18	24	12	2
Hampshire	1	11	13	28	18	14
Herefordshire	0	4	5	7	7	7
Hertfordshire	0	1	1	8	6	5
Huntingdonshire	0	0	2	4	1	1
Isle of Wight	1	3	4	4	2	0
Kent	2	9	19	33	20	10
Lancashire	9	13	15	20	27	21
Leicestershire	2	3	7	9	9	2
Lincolnshire	2	8	14	18	10	8
Middlesex	0	0	2	5	3	4
Norfolk	4	8	12	16	12	11
Northamptonshire	0	3	6	13	10	4
Northumberland	3	5	5	6	6	2
Nottinghamshire	2	2	4	8	7	6
Oxfordshire	1	7	10	11	8	7

[8] Data extracted from Dawes and Ward-Perkins, *Country Banks of England and Wales,* pp.10-12 and pp.30-671.

Rutland	0	0	1	1	0	0
Shropshire	1	5	17	22	9	4
Somerset	13	26	32	55	17	8
Staffordshire	3	5	18	22	18	10
Suffolk	3	9	10	15	9	6
Surrey	1	1	4	13	6	7
Sussex	0	8	9	21	10	7
Warwickshire	4	11	17	22	17	7
Westmorland	0	1	2	2	3	1
Wiltshire	2	9	12	19	16	6
Worcestershire	3	7	11	17	9	7
Yorkshire	14	20	44	63	47	17

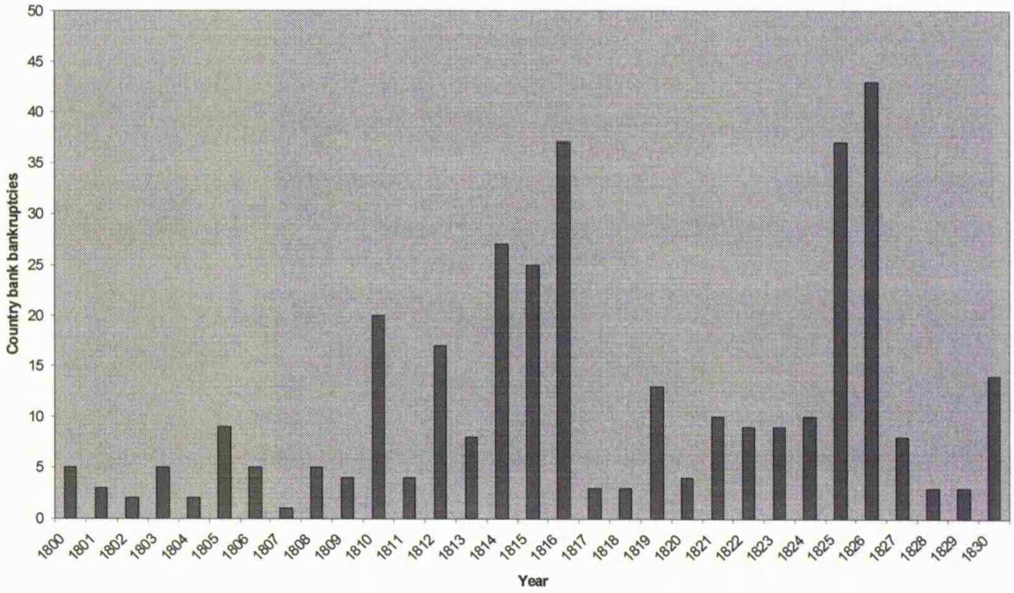
By 1780, 14 private banks had been established in Yorkshire, more than in any other county in England. As the data in appendix 1.1 shows, half of these were set up in the industrial towns of the West Riding, including Bradford, Halifax, Leeds, Sheffield and Wakefield. Of the remaining, three were opened at Hull, two at York and two at Whitby – Thomas Peirson (1778) and Sanders & Son (1779). Messrs. Peirson in particular deserve special note; they formed a bank at Whitby in 1778 and retired from the profession around 1820. Upon the foundation thus left, Messrs. Frankland, originally drapers, turned to banking and established a bank there. Frankland & Wilkinson, as they became known in 1823, retained the business until 1845 when it was disposed of in favour of York City & County Bank.[9]

Despite meeting the need for banking services in the provinces, the country banker was 'a constant source of weakness in a flimsy, ill-balanced banking structure'.[10] The problem was that private banks were forbidden by law from having more than six partners. This meant that they were formed on a small, and often inadequate, capital base. In fact, the Bank of England had retained the sole right to constitute a joint-stock organization in English banking since its charter of 1711. Consequently, this made for a shaky banking system as chart 1.1 shows:

[9] Maberly Phillips, *A History of Banks, Bankers and Banking in Northumberland, Durham and North Yorkshire*, (1894), pp.273-4.

[10] Crick and Wadsworth, *Hundred Years of Joint Stock Banking*, p.13.

Chart 1.1 Number of commissions of bankruptcy issued against country banks, 1800-1830[11]



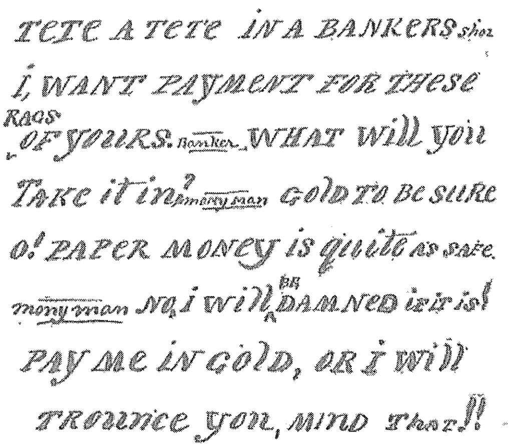
During the first third of the nineteenth century, there were 348 commissions of bankruptcy issued against country banks, just over half of which were made during the crisis years of 1814-16 and 1825-6. The distress occasioned in 1825 was so grave that it gave rise to public demand for drastic change.

The boom of 1824, which marked the peak of the preceding two years' rapid economic recovery and subsequent expansion, ended during the early months of 1825. The most conspicuous aspect of the ensuing slump was the pervasive liquidity shortage, which proved most acute in the closing weeks of the year. The stampede for cash, typified by the relentless presentation of country bank notes in exchange for coin and Bank of England notes, quickly eroded the reserves of the banking system as bankers, short of cash, were forced to suspend business with both note-holders and depositors.[12] In the north east (reflective no doubt of other places too) tradesmen speculated in the notes of the bankers who had suspended payment. In many shop windows, notices were displayed stating that goods could

[11] Data taken from L. S. Pressnell, *Country Banking in the Industrial Revolution*, (1956), pp.536-8 and S. Evelyn Thomas, *The Rise and Growth of Joint Stock Banking. Volume 1, Britain: to 1860*, (1934), p.65.

[12] Michael Collins, *Money and Banking in the UK: A History*, (London, 1988), p.17.

only be purchased with the notes of specified bankers. The distribution of sarcastic compositions, or 'squibs' as they were known, against bankers became commonplace. A surviving example from the 1825 crisis is reproduced below:


TETE A TETE IN A BANKERS sho
I WANT PAYMENT FOR THESE
RAGS
OF YOURS. Banker. WHAT will you
TAKE it in? mony man GOLD TO BE SURE
O! PAPER MONEY IS quite AS SAFE.
mony man NO, I will BE DAMNED IF IT IS!
PAY ME IN GOLD, OR I will
TROUNCE you, MIND THAT!!

Transcript:

Tete a tete in a bankers shop

[Mony Man]	I want payment for these rags of yours.
[Banker]	What will you take it in?
[Mony Man]	Gold to be sure.
[Banker]	O! Paper money is quite as safe.
[Mony Man]	No, I will be damned if it is! Pay me in gold, or I will trounce you, mind that!![13]

Critically, the collapse of leading London bankers, Pole, Thornton & Co., and Williams, Burgess & Co. in December 1825, brought down a number of country bankers who used them as their metropolitan correspondents.[14] This alone proved 'a decisive shock to commercial and bank credit throughout London and the

[13] See Phillips, *History of Banks, Bankers & Banking,* for other examples of 'squibs' issued around this time.

[14] P. L. Cottrell and Lucy Newton, 'Banking liberalization in England and Wales, 1826-1844', in Richard Sylla, Richard Tilly and Gabriella Tortella (eds.), *The State, the Financial System and Economic Modernisation*, (1999), p.81.

interior'.[15] These failures precipitated a run on all London banks, causing substantial numbers to suspend payment. One contemporary writer noted that 'No event has ever given so great a blow to trade and public credit', adding 'universal bankruptcy was expected; the stoppage of almost every banking house in London was looked for; and the whole City was panicstruck. Confidence and credit were almost entirely suspended'.[16]

The crisis severely shook the foundations of the banking system, exposing its fundamental instability. In Cottrell and Newton's words: 'contemporaries not only blamed these events upon the Bank of England, country bankers and London bankers alike, but also argued that banking needed to be overhauled in order to meet the growing needs of commerce and industry'.[17] In particular, the excessive note-issue prior to the crisis by country banks formed the core of their opponents' criticism. The issue of notes comprised an intrinsic part of the country banker's business but critics regarded this as a 'dangerous power to print money'[18], maintaining that unregulated note-issue would promote wholesale price volatility. On the other hand, it was argued that the country bankers were merely following the Bank of England's lead since the amount of its notes in circulation had increased by fifteen per cent between April 1823 and April 1825[19], which encouraged the others to follow suit. Thus, although the Bank stepped in when the situation turned critical, it did so too late. According to stockbroker and former country banker, John Easthope, the Bank had managed 'to set the House on fire by their mismanagement and then they did all in their power to extinguish the flames in order to prevent it from destroying themselves.'[20] Consequently, reform, it was reasoned, was called for on two levels: firstly with respect to paper money and secondly regarding banking organisation itself.

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[15] *B.P.P.*, VI, 1831-2, *Bank of England, Secret Committee Report, Minutes of Evidence, etc.*, evidence of John Horsley Palmer, q.607.

[16] W. J. Lawson, *History of Banking*, (1850), p. 114, cited in Thomas, *Rise and Growth of Joint Stock Banking*, p. 55.

[17] Cottrell and Newton, 'Banking liberalization in England and Wales', p.82.

[18] Collins, *Money and Banking*, p.16.

[19] Thomas, *Joint Stock Banking*, p.61.

[20] *B.P.P.*, VI, 1831-2, *Bank of England, Secret Committee Report,* evidence of John Easthope, q.5968.

The New Joint-Stock Banks

It was decided that the issue of 'small' notes was to be abolished and an Act[21] was passed in 1826 which stated that no more English bank notes of less than £5 were to be circulated, and those already stamped were not to be reissued after 1829. A second Act, which dealt with the banking system, was passed in the same year intended 'for the better regulating of copartnerships of certain bankers in England'[22]. In short, this permitted the formation of note issuing joint-stock banks outside a 65-mile radius of London. Prior to 1826, the maximum number of partners a bank could engage had been restricted to six.

Table 1.3 Number of partners in note-issuing banks, May 1822[23]

Number of partners	1	2	3	4	5	6	Total
Number of banks	49	154	172	108	43	26	552

Total number of partners = 1, 676
Average number per bank = 3

As table 1.3 shows, in 1822 the average number of partners constituting a note-issuing private bank in England and Wales was just three. The Banking Copartnership Act removed this restriction by authorising the establishment of larger banks with more partners and accordingly access to greater capital reserves. This, it was hoped, would make them more resilient in the event of 'runs', thus averting another crisis of the magnitude so recently witnessed. Moreover, the Act marked, in Thomas' words, 'the first step in the gradual process by which the Bank of England's monopoly of English joint-stock banking was finally abrogated'[24]. The Act certainly removed a significant privilege from the Bank, although its position was salved by the clause which conferred upon it the right to open branches anywhere in England, designed to 'sprinkle the provinces with notes from

[21] 7 Geo.4,c.6. An Act to limit, and after a certain period to prohibit, the issuing of promissory notes under a limited sum in England.

[22] 7 Geo.4,c.46. An Act for the better regulating copartnerships of certain bankers in England, & c.

[23] Pressnell, *Country Banking in the Industrial Revolution*, p.226.

[24] Thomas, *Rise and Growth of Joint Stock Banking*, p.80.

safe and partially controlled sources'[25]. The Bank exercised this right almost immediately, with the opening of three branches - at Gloucester, Manchester and Swansea - in 1826, five in 1827 and a further five during the next seven years.[26]

Adoption of the joint-stock banking principle gathered momentum albeit slowly. By the end of 1830, fourteen joint-stock banks were in operation. Of the first of these formations, two were private banks which used the change in legislation to increase the size of their partnerships: Bristol Old Bank, formed around 1750, enlarged its number of partners to eight in 1826, recording a paid-up capital of £140,000 by 1836; and Stuckey's Banking Company, which consolidated a number of private banks in the Somersetshire area under the leadership of Vincent Stuckey. By 1836 its branches numbered nineteen, the partnership totalled 35 and the paid-up capital amounted to £65,000.[27] The first 'new' joint-stock bank to be established was Lancaster Banking Co. which had 127 partners and a cash capital of around £20,000. This was followed by the larger Norfolk & Norwich Banking Co., and two Yorkshire banks: Huddersfield Banking Co. and Bradford Banking Co. which comprised 335 and 173 partners respectively.[28]

Table 1.4 gives an idea of how joint-stock banks differed in size, on average, compared to the country banks formed prior to 1826:

[25] J. H. Clapham, *An Economic History of Modern Britain. The Early Railway Age 1820-1850*, (1926), p.275.

[26] Between 1826 and 1834, branches were opened in Gloucester, Manchester Swansea, Birmingham, Liverpool, Bristol, Leeds, Exeter (later moved to Plymouth), Newcastle, Hull, Norwich and Portsmouth.

[27] *B.P.P.*, IX, 1836, *The Establishment of Joint Stock Banks, Select Committee Report Minutes of Evidence,* 'Returns to questions from banks and banking companies'.

[28] *B.P.P.*, VI, 1831-2, *Bank of England, Secret Committee Report,* 'An account of all places where united or joint-stock banks have been established...together with the number of partners therein, and the dates when such banks respectively were established'.

Table 1.4 Number of partners in joint-stock banks formed between 1826 and 1836[29]

Number of Partners	Number of Banks
Under 50	7
50-99	5
100-199	25
200-299	22
300-399	7
400-499	9
500-599	6
600 +	5
Total	86

Total number of partners = 23,893
Average per bank = 278

Of those banks formed in the ten years after 1826 and still in existence in 1836, over half comprised between 100 and 300 proprietors - the average per bank being 278 - clearly a significantly larger number than the average per private country bank, shown in table 1.3. Although large partnerships meant that the new banks were able to draw on a large capital reserve, private bankers were quick to point out that a nominal capital was a 'delusion' and, if called for in times of crisis, could not necessarily be obtained. Moreover, it was argued by John Harding, a private banker at Burlington and Driffield before the *Select Committee* of 1836, that in the case of large partnerships:

> 'we find those partners all promiscuously assembled, good, bad and indifferent; every one has an interest in extending the business of the concern within his own circle, and it is impossible that so great a number should have the discretion or knowledge of the true principles of banking to

[29] Data extracted from *B.P.P.*, IX, 1836, *The Establishment of Joint Stock Banks,* 'Returns to questions from banks and banking companies'.

make that extension [of discounts, circulation and advances] in a judicious and proper manner.'

In short, he claimed, 'numbers are weaknesses, not strength'[30].

This was just one example of anti-joint-stock sentiment. The new joint-stock banks were initially treated with some hostility, both from the Bank of England, which resented the removal of its monopoly privilege, and the established private bankers, who perceived them as a threat to their position. In response, the country bankers combined 'for their own defence' under the Committee of Country Bankers, led by Henry Burgess. The case against the Bank of England's encroachment and the joint-stock banking system was expressed unequivocally by Burgess, who asserted that:

> 'the two things, which were most injurious...to the existing banking establishments of England, were, the recommendation which [the Government] gave to the Governor and Deputy-Governor of the Bank to establish Branch Banks, for the purpose of aquiring, eventually, the absolute control of the currency; and the countenance which they gave to the introduction of the Scotch system of banking into England'.

In his opinion,

> 'These were the two great evils which grew out of the intemperate proceedings of the Government, and the Parliament, during the spring of 1826'.[31]

This typified the country bankers' attitude for a number of years, expressed most emphatically by 'the self appointed conscience, though not always the voice of country bankers'[32] - the *Circular to Bankers* - which acted as a vehicle for their grievances. Hostility towards joint-stock banks in particular underpinned much of

[30] *B.P.P.*, IX, 1836, *The Establishment of Joint Stock Banks*, evidence of John Harding, Banker at Burlington and Driffield, East Riding, Yorkshire.

[31] *Circular to Bankers*, 21 November 1828.

[32] Pressnell, *Country Banking in the Industrial Revolution*, pp.275-6.

the early material printed in the *Circular*. Despite acknowledging the general success of the system in Scotland (where banking firms with a large number of partners had appeared much earlier), the *Circular* expressed no desire to see the system extended into England. It was argued that the 'character of the period' was different there when it was first brought into general operation, and that the people of Scotland had acquired 'different habits' to the English and, if adopted south of the border, would '...in the end reap nothing but trouble, anxiety and loss'.[33]

However, by the mid-1830s, the body was more reconciled to the idea of joint-stock banks, not least because the country bankers recognised that the new banks could form an 'effective engine for diminishing the power...of the Bank of England'.[34] Moreover, effort was made to discriminate between those banks which were managed carelessly and those that exercised discretion. Of the first four joint-stock banks established after 1826 at Lancaster, Huddersfield, Norwich and Bradford, the *Circular* conceded that the 'little' joint-stock bank at Lancaster '...has been well managed, and has prospered; and that it may, in a very limited sense, be regarded as a successful undertaking'[35] Burgess also admitted before the *Secret Committee on the Bank of England Charter* in 1832, that he considered York City and County Banking Co., one of the first wave of English joint-stock banks, to be 'one of the best managed establishments of the kind in the kingdom'.[36]

The Crisis in Yorkshire and the Establishment of York City & County Bank

The financial difficulties brought about by the crisis of 1826 inflicted disaster on large numbers of private banks throughout England and Wales, wreaking havoc, in particular, among unstable Yorkshire firms. The effects of the crisis were felt with some severity in the Yorkshire Ridings. The collapse of so many banking houses affected confidence and, as a result, Yorkshire, more than any other county, 'entered with vigour into the movement towards joint stock banking as soon as the necessary legislation had been passed'.[37] Indeed, some of the earliest joint-stock

[33] *Circular to Bankers*, 30 January 1829.

[34] *Ibid.*

[35] *Circular to Bankers*, 14 November 1828.

[36] *B.P.P.*, VI, 1831-2, *Bank of England, Secret Committee Report*, evidence of Henry Burgess, Secretary of the Committee of Country Bankers, q.5223.

[37] Crick and Wadsworth, *Hundred Years of Joint Stock Banking*, p.202.

formations – York City & County Banking Co. included – were undertaken to replace the private banks that had failed during the crisis.

The first two joint-stock banks to be established in Yorkshire were Huddersfield Banking Co. and Bradford Banking Co. Both were set up in 1827 to fill the gap created by the failure of a number of private banks. In particular, noted Crick and Wadsworth, 'the West Riding was gravely disturbed by the collapse of Wentworth, Chaloner and Rishworth, bankers of high repute at Leeds, York, Barnsley, Bradford and Wakefield.[38] Indeed, the prospectus of Huddersfield Bank, issued in March 1827, pointed out that five private banks in the locality had failed, leaving insufficient banking accommodation as a result. 'This' observed Lawson, 'awakened the attention of several public-spirited gentlemen to attempt forming the Huddersfield Banking Company, which was eventually accomplished'.[39] The prospectus maintained that 'a vacuum has been caused which in all probability will be filled up by other establishments of a similar nature; equally subject to the same disasters and from which the same consequences may again arise unless a public company of a more solid description be formed in their place'.[40] Bradford Banking Co. was formed one month later, capitalizing also on the space created by the failure of Wentworth & Co. The bank opened in premises formerly occupied by the private house, and appointed, as its first general manager, Samuel Laycock, previous manager of Wentworths at Bradford.

The collapse of Wentworths was far-reaching, affecting not only the West Riding towns of Huddersfield and Bradford, but also York in the East. In the same way, therefore, York City & County Banking Co. was established at York 'to fill up the vacancy' thus created. According to the firm's prospectus, issued in 1829, the establishment of a joint-stock company would not be considered 'an unfair interference with the highly respectable existing Banks'. Moreover, it continued, 'without materially affecting the business of the private Banks, [the new bank] will hold out its own peculiar advantages, and afford accommodation which their rules

[38] *Ibid.*, p.203.

[39] W. J. Lawson, *History of Banking*, (1850), p.309.

[40] Prospectus, Huddersfield Banking Co., March 1827, quoted in Crick & Wadsworth, *Hundred Years of Joint Stock Banking*, p.204.

of business prevent them from giving'.[41] In short, the bank's founders were keen to underline their respect for their private counterparts, noting that 'it was not that blame attached, in the majority of instances, to the partners themselves, for they were frequently affected by circumstances they could not control'. But, at the same time, it pointed out that the faults inherent in the system could be eliminated if banks were established upon the joint-stock principle.

The key advantages of joint-stock firms were summed up succinctly in York City's prospectus:

1. They afford ample and unquestionable security to the public.
2. The capital must be exclusively devoted to the legitimate business of the institution.
3. The security does not depend on the wealth, ability, or conduct of particular individuals, nor can it be affected, as in private partnerships, by the death or retirement of elder partners, who not unfrequently constitute the stability and experience of their respective concerns.[42]

Their justification for a new joint-stock bank at York was based on the safety and superior accommodation such an institution would afford the banking public. 'It is impossible to describe the accumulated misery those [private bank] failures entailed upon thousands of families and individuals' stated the prospectus, whereas 'banks being on a firm [joint-stock] foundation, possess that unlimited confidence which is so essential to the stability of a bank, and they have consequently been free from these panics that have ruined so many of the English banks and their customers'.[43]

It was not unusual for the new joint-stock banks to highlight the shortcomings of the private system in order to further their cause. 'The security and additional resources of a public banking company' claimed Huddersfield Banking Co., for instance, 'will enable it to grant facilities which cannot be given by private

[41] Prospectus, York City & County Banking Co., *Directors' Minute Book* (hereafter *DMB*) (Y1), December 1829.

[42] *Ibid.*

[43] *Ibid.*

partnerships'.[44] Similarly, York City's prospectus emphasized the greater degree of accommodation a joint-stock bank could offer: 'the fear of a run compels the private Banker to keep in London an undue proportion of his capital' it stated, and 'the money thus locked up prevents him giving that accommodation to his customers which is frequently requisite'. A joint-stock bank, on the other hand, 'having a large available capital, and being under no apprehension of a run, can lend money, *on satisfactory security*, *to a more considerable extent*, and *for a much longer time* than the private Banker is enabled to do with safely to himself, and the rules of business on which he acts will permit'.[45]

The joint-stock system could undoubtedly boast a number of advantages over the private, stemming from the increased number of partners permitted, the permanency of capital, and the way in which such banks were governed. As Gilbart wrote:

> 'A private bank formerly could not have more than six partners; a joint stock bank might have a thousand partners. If a partner in a private bank dies, or become insolvent, his capital is withdrawn from the bank; in the case of a partner in a joint stock bank, his shares are transferred, and the capital of the bank remains the same. In a private bank all the partners may attend to its accommodation: a joint stock bank is governed by a board of directors.'[46]

In this way, confirmed York City's prospectus, 'Joint Stock Bank Companies transact the ordinary business of banking on better principles than the private Banks.'[47] Its author backed up his argument by quoting the late Lord Liverpool, in reply to an observation of the Marquis of Lansdowne, that the distresses of Ireland were, in a great degree, to be attributed to the number of partners in banking establishments being restricted, to which he remarked 'it was his earnest wish, that the number of partners should be extended, not only in Ireland, but in England'.

[44] Prospectus, Huddersfield Banking Co., quoted in Crick and Wadsworth, *Hundred Years of Joint Stock Banking,* p.204.

[45] Prospectus, York City & County Banking Co.

[46] J. W. Gilbart, *Practical Treatise on Banking, Vol.1*, (1865), p152.

[47] Prospectus, York City & County Banking Co.

The prospectus also pointed out that Robert Peel had strongly urged the formation of joint-stock banking companies, adding that 'he was sanguine that gentlemen would be found, many more than enough, who would be actuated, not by the mere desire of profit, but by a wish to see *a better, firmer, and more useful system of banking established in their districts*'.[48]

Apart from the security ensured by an increased proprietary, and the greater accommodation therefore enabled, York City's prospectus was also keen to indicate the importance a sound basis would have in guaranteeing a profitable return for subscribers. 'It is also important' it stated, 'to consider [the establishment of joint-stock banks] with a view of profit to the shareholders'. In particular, it was pointed out that joint-stock banks established in Scotland and Ireland had already proved profitable for their original subscribers. In England, moreover, the joint-stock banks recently established at Manchester, Birmingham and Halifax were said to have been instilled with 'the prospect of most ample success'. Meanwhile, the prosperous share prices of Huddersfield Banking Co. and Bradford Banking Co. (which had been forced to compete with local private banks), and Lancaster Banking Co, achieved within the short time since their inception, led the prospectus to conclude that 'the formation of a Bank on the [joint-stock] principle cannot now be regarded as a speculation, or a doubtful project'.[49]

Upon submitting their proposals to a general meeting of the shareholders in January 1830, it was agreed 'York City and County Banking Company' would commence business on 11 March, subject to the passing of various resolutions. The capital stock of the bank was to consist of £500,000, divided into 5,000 shares of £100 each. No individual was allowed to subscribe for less than five or more than 100. The share price was considered a sensible sum since the feeling was, generally, that the number of shares in joint-stock banks should be few but large in value. Table 1.5 shows the capital stock, number of shares and nominal value of each share of the joint-stock banks established in Yorkshire in the ten years after the passing of the Copartnership Act:

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[48] 'Parliamentary Debates', (1826) quoted in Prospectus, York City & County Banking Co.

[49] Prospectus, York City & County Banking Co.

Table 1.5 Joint-stock banks established in Yorkshire, 1826-1836[50]

Name of Bank	Number of shares	Nominal value of each share (£)	Nominal capital (£)
Huddersfield Banking Co.	7,000	100	700,000
Bradford Banking Co.	5,000	100	500,000
Halifax Joint Stock Banking Co.	5,000	100	500,000
York City & County Banking Co.	5,000	100	500,000
Sheffield Banking Co.	1,500	200	300,000
Knaresborough & Claro Banking Co.	2,300	100	230,000
Wakefield Banking Co.	6,000	50	300,000
Leeds Banking Co.	10,000	100	1,000,000
Bradford Commercial Joint Stock Banking Co.	5,000	100	500,000
York Union Banking Co.	7,000	100	700,000
Hull Banking Co.	8,000	100	800,000
Yorkshire District Bank	50,000	20	1,000,000
Leeds & West Riding Banking Co.	20,000	20	400,000
West Riding Union Banking Co.	20,000	100	2,000,000
Sheffield & Hallamshire Banking Co.	50,000	20	1,000,000
Halifax Commercial Banking Co.	10,000	10	100,000
Leeds Commercial Banking Co.	40,000	20	800,000
Sheffield & Rotherham Joint Stock Banking Co.	24,000	25	600,000
Halifax & Huddersfield Union Banking Co.	20,000	25	500,000
Yorkshire Agricultural & Commercial Banking Co.	100,000	5	500,000
Swaledale & Wensleydale Banking Co.	20,000	20	400,000

[50] Information extracted from: *B.P.P.*, XIV, 1837, *The Establishment of Joint Stock Banks, Appendix*.

As table 1.5 shows, over half of the banks established in Yorkshire between 1826 and 1836, issued shares valued at £100 or higher - York City and County included. Capital stock was raised on the smallest share values at Yorkshire Agricultural and Commercial Bank, which offered 100,000 shares at just £5 each. This decision was criticised by private Yorkshire banker, John Harding, before the *Select Committee* in 1836. 'All [banks in East Yorkshire] are established, I think, on £100 shares' he explained, 'but there is one now advertised at York, the advertisement of which I saw last week, on £5 shares'.[51] In his opinion, it was advisable to fix a minimum below which the value of shares should not go, arguing that the effect of establishing a bank on £5 shares would be that 'butlers, ladies' maids, and all sort of persons, will get in; it will be composed of the lowest classes'. This was dangerous, he pointed out, because 'if any call is made, such a partner cannot answer it'.[52] His comments proved prescient as the failure of the Agricultural Bank in 1842 fell on the shareholders who were 'mostly of the humble class' and, having lost their paid-up capital, were called upon to meet a huge deficiency, 'an amount which was wrung from them with great difficulty, and in many cases only by the forcible sale of their household goods'.[53]

Each subscriber for York City shares was required, upon agreement, to pay a deposit of 10 shillings per share 'to defray the expenses of the undertaking; which deposit shall be forfeited if the subscription be not paid up'.[54] Furthermore, on the call of the committee, they were required to pay £4 10 s. per cent on the amount of their shares, and a further £5 per cent on signing the Deed of Settlement. It was clearly explained that 'the directors shall be empowered to make calls upon the Proprietors for such sums, and at such times, as the wants of the Company may require'[55], thus emphasizing the need for shareholders of some wealth.

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[51] The bank he referred to was Yorkshire Agricultural & Commercial Banking Co. listed in table 1.5.

[52] *B.P.P.*, IX, 1836, *The Establishment of Joint Stock Banks, Select Committee Report,* evidence of John Harding, Banker at Burlington and Driffield, East Riding, Yorkshire, qq.2219-2234.

[53] *Bankers' Magazine*, January 1844, quoted in S. E. Thomas, *The Rise and Growth of Joint Stock Banking, Vol.1*, (1934) p.670.

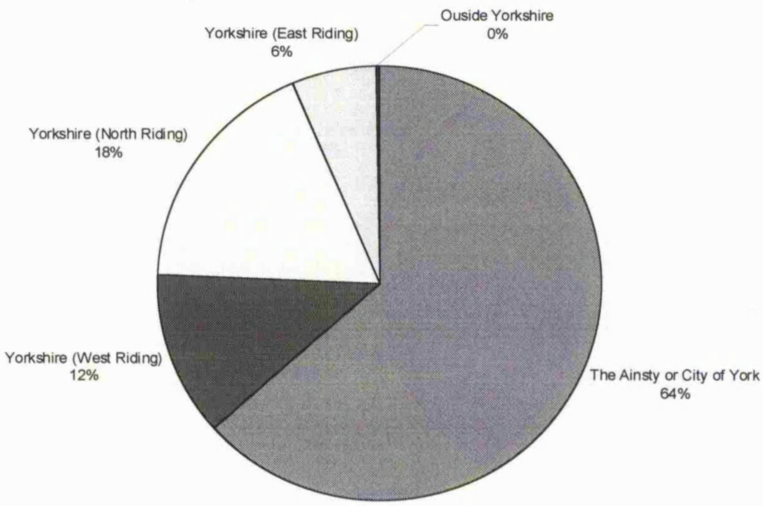
[54] Prospectus, York City & County Banking Co.

[55] *Ibid.*

Every holder of five shares was entitled to one vote on matters regarding the conduct of the bank, with holders of fifteen shares having two votes, and each additional ten shares held representing an extra vote, although no person was permitted more than ten votes.

Chart 1.2 shows the geographical distribution of the original shareholders of York City & County Bank in 1830, by place of residence:

<u>Chart 1.2</u> <u>Geographical distribution of the original shareholders, York City & County Banking Co. (1830), by place of residence</u>[56]



Although it is not known how many shares each individual held, and therefore not weighted accordingly, chart 1.2 shows, nevertheless, that the original group of shareholders came, overwhelmingly, from in and around York. Of the 265 shareholders listed as being 'concerned or engaged in the corporation' in March 1830[57], only one subscriber was resident outside of Yorkshire: Henry Winch of London. The remainder all came from the North, East and West Ridings, 64 per cent of whom were resident in the City of York itself. Interestingly, although York

[56] Information taken from an early Directors' Meeting, *DMB* (Y1), 4 March 1830.

[57] See appendix 1.2 for a full list of York City & County Banking Co's original shareholders, detailed in the minutes of an early Directors' Meeting, *DMB* (Y1), 4 March 1830. Note, however,

City's business, between 1830 and 1870 at least, was confined to the North and East Ridings, almost one fifth of the original subscribers came from the West Riding. It should be remembered, however, that York City owed its establishment to the failure of a West Riding bank and, in this way, subscribers from that district looked to the new firm, along with Huddersfield Banking Co. and Bradford Banking Co., not only as a replacement bank, but also as a fresh, and safe, investment outlet. Moreover, the original shareholding was taken up almost in its entirety by male investors. Despite the frequent occurrence of female shareholders after 1830, only one of the original proprietary was female: Margaret Todd of Bilbrough in the West Riding.

It was specified in the prospectus, and approved at a meeting of the shareholders, that the bank was to be managed by seven directors resident in York or the immediate vicinity, qualification being requisite on the holding of 50 or more shares. The first board typically comprised, what Gilbart described as, 'men of character and ability...chosen to fill the office from their superior knowledge of mercantile and banking business'.[58] Harry Croft was a magistrate, and a 'corn, bone and saw mills owner', resident at Stillington Hall in the parish of Stillington. The parish encompassed over 2,000 acres of land, more than half of which belonged to Croft who was described in *Parson's Directory* (1830) as 'lord of the manor'. Thomas Barstow of Garrow, Gate Fulford, about two miles south of York, was also a magistrate (having taken his oath of qualification in the same year as Croft). He was also an important name in railway building, sitting on the first board of directors of York & North Midland Railway from 1836. Thomas Backhouse, a nurseryman of York and member of the Backhouse family of Quakers, who were closely connected with banking and railway building in the north east, also sat on York City's first board, and like Barstow, was a constituent of York & North Midland's first directorate. York City's first directorate also included Robert Waller, a York merchant and partner (between 1818 and 1837) in a firm which preceded the confectionery manufacturers, Rowntrees, with Quaker, Samuel Tuke (a cocoa manufacturer and tea dealer) who had a significant hand in the setting up of the bank. Thomas Price of Clementhorpe, Thomas Laycock of

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that the list given in the directors' minutes is incomplete. Further shares were allocated after 4 March, which are not included here.

[58] J W Gilbart, *The History, Principles and Practice of Banking*, (1882), p.118.

Colton Lodge, Appleton Roebuck and Benjamin Hornor of Fulford Grange completed the board.[59]

Thomas Price and Thomas Backhouse were appointed to act as "managing" directors, and 'to them alone the accounts of the customers [were to] be open for inspection'. Much criticism had been levelled at potential joint-stock banks for breach of 'confidential honour' resulting from multiple board members. The danger, warned the *Circular to Bankers*, will arise 'when there are ten persons entrusted with knowledge of a delicate, private and important character, instead of one; these ten individuals being not Bankers, but traders, who may be engaged in the same trade as the commercial customer of the bank...' who could use the information in an injurious way to the credit of the manufacturer or merchant. 'The great characteristic of a wise and prudent Private Banker', proclaimed the *Circular*, 'is, that being by his business separated and set apart from the general trading affairs of his vicinity...he becomes the only fit person to be consulted, by active borrowing classes, as a confidential friend in need' - the joint-stock banks on the other hand, 'annihilate these delicate and important functions'.[60] The founders of York City were aware of the negative attention joint-stock banks were receiving, noting that 'the supposed publicity given to the accounts of the customers has been one of the principal objections urged against Joint Stock Banking Companies' and, consequently, just two individuals were authorised to consult customers' accounts when necessary. 'By this means' it was argued 'the company will have the secrecy and dispatch of a private bank whilst it will have the additional advantage resulting from the united deliberation of seven intelligent Directors assembled at their weekly Board'.[61] Given that they were expected to devote most of their time to the business of the bank, the sum of £300 was awarded to each Managing Director as 'remuneration...in acknowledgment of services so important'. They were also named as the bank's public officers for the purpose of suing and being sued (as laid out in the 1826 Act). In addition, Samuel Tuke, Alderman Champney and William Hale were named as trustees of the company while Blanchard and Richardson were appointed as the bank's solicitors.

[59] General Meeting of the Shareholders, *DMB* (Y1), January 1830.

[60] *Circular to Bankers*, 21 November 1828.

[61] *DMB* (Y1), 19 February 1830.

The first two months' board meetings were directed towards setting-up the bank ready for the commencement of business in March 1830. Four sub-committees were formed to deal with various aspects of the firm's formation: a 'bank committee' to decide what manner the accounts were to be kept, and the conduct of business generally; a 'house committee' to find an 'eligible situation' for opening the business, and to report whether a house should be purchased or rented; the 'plate committee' set about selecting specimens of plates for the notes given that York City was to be a bank of issue; and a final sub-committee was to examine the testimonials of candidates for staff positions. Further to their recommendations some weeks later, a house was purchased in Ousegate, formerly occupied by the Philosophical Society for the sum of £1,000. The mode of transacting business was to be based on the system employed by Bradford Banking Co., a firm cited by the directors as a successful model. It was reported that:

> 'The method of banking pursued by the Bradford Banking Company has been recommended to the committee...as the most simple and effacious, and having worked well in that establishment it is intended to adopt it as the system of this company...'[62]

Barnett, Hoares & Co. were appointed the firm's London agents, although initial enquiries had been made to the Bank of England. However, following Barstow's meeting with the Bank's Governor in London, this relationship was deemed objectionable by York City's directors on the grounds that they would be expected to distribute Bank of England notes in preference to their own.[63]

The final major task was the recruitment of staff. Robert Barnes of York, formerly of private banking house, Messrs. Browns, was appointed 'managing clerk' at a salary of £350 per annum plus 'the house rent and taxes free with coals and candles', on the condition he provide security for £5,000, and the names of at least two people to act as his sureties. It was not just the manager who was called upon to furnish security; each employee was expected to provide substantial guarantees, meaning that only those of considerable means, in the early days, were able to obtain appointments. The position of 'second clerk' was assigned to B. T.

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[62] *Ibid.*

[63] *Ibid.*

Wilkinson, formerly of Wentworths, at an annual salary of £150, while the situation of third, or 'junior', clerk was filled by Edward Smallwood at a salary of £60 per annum, security being provided by each to the order of £2,000 and £1,000 respectively.[64] In addition, a number of names were mentioned during early directors' meetings as potential candidates for agency positions at Malton, Selby, Howden and Scarborough, an early indication that the bank intended to branch (at least in terms of agencies initially) from the outset. Equally interesting, the three men referred to, were all engaged in banking business in the towns to which they were provisionally assigned. The bank did not immediately engage them, but this suggests that York City's management intended to obtain their services by 'poaching' them from other establishments.

The terms of banking were specified as follows: depositors were allowed two per cent provided their money was left for three months; current accounts were granted two per cent subject to postage charges and commission; and discounting was to be undertaken at four per cent excepting cases of long-dated bills. No mention was made of loans or advances.[65] Business commenced on 15 March and 'although little [business] was transacted for some time'[66] a surplus of £477 19s 4d was reported at the first Annual General Meeting (AGM) a year later. Investment in government securities was undertaken almost immediately with the purchase of £6,000 in Bank stock in March, £5,000 in three per cent Consols in April and £6,000 in Exchequer bills in June, although due to the 'great abundance of money in the markets'[67] Overend & Co. allowed only 2.25 per cent interest upon the bills.

Business gathered apace during the bank's formative years and, by 1833, five branches and one agency had been opened. According to the Directors' Report, read at the third AGM '...the continued prosperity of the Establishment which from its gradually and steadily advancing in magnitude proves its great utility and the importance it has obtained in the public estimation...'[68]

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[64] *DMB* (Y1), 18 January 1830 - 19 February 1830.

[65] *DMB* (Y1), 8 March 1830.

[66] AGM, *DMB* (Y1), 24 February 1831.

[67] Letter from Overend & Co., *DMB* (Y1), 24 May 1830.

[68] AGM, *DMB* (Y2), 28 February 1833.

However, the possibility of restrictive banking legislation loomed large and, like many fellow joint-stock banks, York City spent much of the latter half of 1833 preparing to safeguard its interests. The uncertain legislative conditions were most clearly revealed by the suspension of preliminary arrangements for the promotion of Hull, East Riding and North Lincolnshire Banking Co. 'in consequence of the measures now before Parliament'.[69] Deposits were returned to shareholders and the formation of the company was halted. Anxiety was fuelled by the establishment of a Secret Committee in 1832 which was set up to enquire into the renewal of the Bank of England's Charter and to survey the 'banking question' in general. However, given the clash of interests displayed between private bankers, joint-stock bankers, and the Bank of England, the resultant report was unable to make any firm recommendations on either issue.

As early as June 1832, the directors of York City had begun to openly express their grievances at the legislation surrounding joint-stock banks and, in particular, how limiting it was in terms of the way they were permitted to conduct business. The 1826 Act laid out the rules by which joint-stock banking business was to be transacted. In particular, banks were prohibited from drawing bills of exchange under £50 on London. This limit had long been a contentious point since bills for sums below £50 were the most sought after in the country. Inability to supply them inconvenienced bankers and customers alike. York City's management quickly organized their attack and wrote to the directors of the joint-stock banking companies in England inviting their cooperation in lobbying Parliament for the repeal of the 'objectionable part of the Act of Parliament under which the companies are formed'. The following circular was issued[70]:

[69] Crick and Wadsworth, *Hundred Years of Joint Stock Banking,* p.209.

[70] *DMB* (Y1), 25 June 1832.

York 25 June 1832

Gentlemen,

In consequence of the restrictions under which Joint Stock Banking Companies now Labor from being prevented changing Bills of Exchange upon their London Bankers for a less amount than £50.

The Directors of the York City & County Banking Company beg to call your attention to the subject and suggest the propriety of the directors of the different Joint Stock Banking Companies established in England, writing in a petition to the House of Commons praying that that part of the 2nd clause 7 Geo 4th chap 46 bearing upon this subject should be repealed when the Bank of England Charter comes under the consideration of Parliament.

As it is desirable as little delay as possible should take place, the Directors of the York City & County banking Company will feel obliged by your early reply accompanied with any other suggestions that may present themselves to your view.

The subject of the £50 restriction, while not core to York City's objections, was symptomatic of the type of limits under which the new banks were forced to labour. Moreover, what the Parliamentary measures of 1833 proposed was the increased regulation of the banking system. In May 1833 Lord Althorp outlined in the House of Commons his suggestions for amending the law governing the Bank of England and the country banks.[71] He stated that:

[71] *Hansard*, Series 3, Vol.XVIII, Col. 169, 31 May 1833, quoted in Thomas, *Rise and Growth of Joint Stock Banking*, p.174.

1. The Government should have the power of granting charters to joint-stock banks issuing notes beyond sixty-five miles from London, and to joint stock banks within sixty-five miles providing the latter issued only the notes of the Bank of England.

2. The joint-stock banks which issued notes should be required to pay up one-half of their capital, and all the shareholders be answerable individually to the full extent of their property

3. The joint-stock banks which did not issue their own notes should be required to pay up only one-fourth of their capital, and the shareholders be responsible only to the amount of their shares.

4. The Government when granting the charter should have the power to decide whether the amount of capital subscribed was a sufficient amount for the place in which the bank was to be situated.

5. Each private bank should be required to send a statement of its accounts to the Government in London, as a strictly confidential paper, which was not to be published in a separate form, but, the accounts being added together, the total results should be given to the public periodically.

6. To enable the Government to know the total amount of notes in circulation, each private bank, as well as joint stock bank, should be compelled to compound for stamp duties.

The resolutions concerning the Bank of England were carried, but the proposals to regulate the country banks were abandoned. A Bill, based on these decisions, was presented to the House of Commons in July 1833.

Typically, the proposals were met with strong opposition. According to Thomas, 'a few days after Lord Althorp's speech, fifty country bankers from various parts of England and Wales met in London with a view to entering a loud protest'[72].

[72] Thomas, *Rise and Growth of Joint Stock Banking*, p.175.

Indeed, it was reported in the *York Courant* (9 July 1833) that a deputation from York City & County Bank had travelled to London to make clear their objections.

In fact it had been decided that, despite the failure of the bank's earlier attempt to rally the country bankers, York City intended, nonetheless, to 'memorialise the Government' on the proposed measures. Managing director, Thomas Price and general manager, Robert Barnes travelled to London where they secured an interview with Robert Peel who they believed 'to possess great advantages from his general knowledge of banking'. Peel confirmed that he 'entered particularly into their [joint-stock] system of banking, and was of the opinion that they had made out a very strong case'. In particular he had 'observed that they seemed to work on the Scotch system, with which he was very well satisfied'. Of York City & County Bank, Price told Peel that 'the establishment was a child of his own, having been brought into existence during the administration of Lord Liverpool, of which he formed so essential a part'. Peel replied that 'he would be very friendly to their cause'.[73]

The general feeling, therefore, was that Althorp's measures would not be carried. However, at his interview with Price, Althorp admitted that 'the effect of his measure would be to increase the monopoly of the Bank of England, and to make it the only bank of issue'. At the same time, however, he 'represented himself as having a great affection for Joint Stock Banking Companies'. Price was quoted in the *York Courant* as commenting: 'it was a very strange way in which he showed that affection, by introducing a measure which must tend to their annihilation'.

Price made clear, also, his feelings on the privileges conferred on the Bank of England. He argued that 'the Bank enjoyed sufficient advantages already [since] they received interest on the money advanced to Government and yet held £7 million of the public's money on which no interest was paid'. Moreover, he continued, 'they profited substantially from managing the national debt and, if Althorp's measures were passed, the Bank was to receive back from the government a quarter of its paid-up capital, but be allowed to maintain and probably increase its note issue, clearly discriminatory given that joint-stock banks were not allowed to issue notes without security'. In sum, he protested 'they have the privilege, the prerogative rather - the princely prerogative of sitting in conclave, and by an extension or contraction of their issues, raising or lowering the property of every man in the Kingdom'.[74] The placing of Bank of England branches 'here and there' was, therefore, an unwelcome proposition for country bankers, who would be forced to relinquish their note issues, a right they vigorously defended. This was of particular worry to banks, like York City, who were based in agricultural areas as Price pointed out:

> 'In such case as might occur on that day, the fortnight fair; if an agriculturalist, who had not come with any intention of purchasing, were to meet with a few sheep which would suit him, by applying to his bankers, to whom his good character was well known, he might be supplied with the money he needed. But not so if the Bank of England should take up the place of country banks; character or connections would be of no used then; if a man had value to give in exchange, he might get notes, but on no other consideration.'[75]

This example was typical of the way business was conducted at York City – particularly at the branches where creditworthiness was assessed on the basis of knowledge and confidence. In Price's opinion, therefore, 'little did Lord Althorp know of the system of banking in this country'. Moreover, he concluded 'it was plain he had a crotchet in his head, and was determined to gratify it, by carrying things in his own way in the House of Commons if [we] could not find means to successfully oppose him'.[76]

The following memorial was issued to the government by York City & County Bank:

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[73] *York Courant*, 9 July 1832.

[74] *Ibid.*

[75] *Ibid.*

[76] *Ibid.*

YORK PETITION
AGAINST THE BANK MONOPOLY

1. That the intention of his Majesty's Ministers, on the renewal of the Charter of the Bank of England, not only to continue but to extend the monopoly of that company occasions great surprise to your Petitioners, as being contrary to the public expectation, and to the generally received policy of the times.

2. That your Petitioners conceive it to be unjust in principle to confer, without urgent necessity, vast and unlimited advantages upon a chartered Metropolitan body, to the sacrifice of the interests of the country private bankers, and of the provincial joint-stock companies; the latter of which were established through the encouragement of the legislature by a special enactment and have hitherto answered the beneficial purposes expected from their formation.

3. That your Petitioners, in particular, deprecate the intended restriction upon the issues of country banks, as a measure which, however it may be viewed as affecting, in the first instance, merely the rate of profits of those establishments, must, nevertheless, ultimately be felt by the landed interest and the public at large, in prescribing limits to their pecuniary accommodation and in advancing terms upon which it can be afforded.

4. That your Petitioners contend, that from the nature of the business of country banking, as now regulated in districts like that surrounding this city, it is impossible there can, to any injurious extent, be an over issue of provincial notes, since the issue of those notes rather follow than lead the wants of the public, and their withdrawal must therefore be productive of a depreciation of prices and general distress throughout the agricultural districts.[77]

[77] Memorial printed in the *York Courant*, 9 July 1833. See also Thomas, *Rise and Growth of Joint Stock Banking*, pp.177-9 for comments by members of the House of Commons in support of the country bankers' view generally.

The opposition raised by York City's management to the existing legislation, and the Bank of England's incumbency, shows that the newly-established joint-stock banks were forced to protect their interests and were prepared to take a pro-active approach in doing so. As Thomas affirms of the period 1826-1832, 'we have to remember the [joint stock banking] system was very much in its infancy, and a particularly stormy period it must have been for such institutions as dared to establish themselves'.[78] The new banks were almost certainly subjected to open hostility from the Bank of England as well as from the established private bankers but as Thomas quite humorously points out:

> '...in spite of the seriousness of the fight they were then waging to break down what was obviously an antiquated and unjust monopoly, one cannot but be amused at the persistence, inventiveness and resource with which they resorted to various devices, one after the other, in attempt to circumvent the Bank's despotism and strong opposition'.[79]

The Bank Charter Act was passed in 1833. Owing to the strong opposition aroused, the government was forced to modify its original intentions. In particular, they gave up the idea of imposing limited liability on non-issuing banks, and the formation of joint-stock banks under charter. They did, however, permit the formation of non-issuing banks in London and within a 65-mile radius thereof, although banks were not allowed 'to borrow, owe or take up in England, any sum or sums of money on their bills or notes payable on demand'.[80] This part of the Act was designed to insure the Bank of England's monopoly but, as Levi commented some years later, 'this clause proved to be the open door by which joint stock banks were permitted in the metropolis'.[81]

At York City's following AGM in February 1834, the directors reported triumphantly that 'from the formidable opposition then made the Chancellor of the

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[78] Thomas, *Rise and Growth of Joint Stock Banking,* p. 94.

[79] *Ibid.*

[80] [80] *B.P.P.*, IX, 1875, *Report of the Select Committee on Banks of Issue*, (Appendix No.1): 'An abstract of the Acts of Parliament relating to the rights and privileges of the governor and company of the Bank of England.

[81] L. Levi, *History of Commerce*, (1880), p.209.

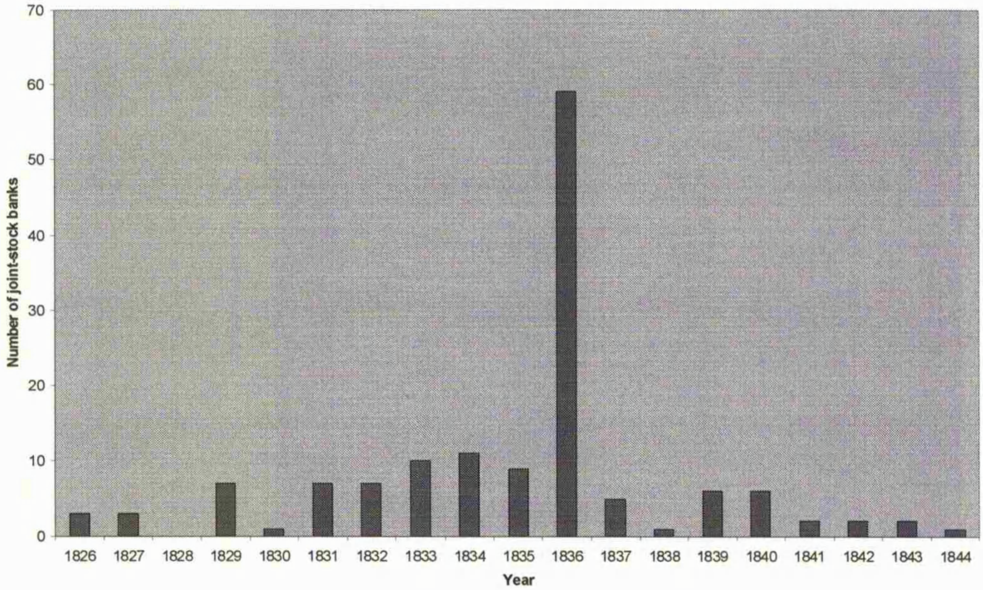
Exchequer gave up the point at that time' but they added 'he intimated that he would on a future occasion bring the subject before Parliament'.[82] Moreover, following York City's separate memorial to the Chancellor in July 1833 regarding the subject of the £50 restriction, the objectionable part of the 1826 Act was repealed.

Therefore, the first phase of joint-stock bank promotions proceeded tentatively until 1833. A downturn in the business cycle between 1826 and 1833, coupled with the expectation that a change in the law would adversely affect the formation of new joint-stock banks contributed to the hesitant, and slow growth of joint-stock banking before 1833.[83] When it was announced at the end of February 1834 that no new joint-stock bank bill would be submitted the uncertainty surrounding the government's intentions was lifted.

[82] AGM, *DMB* (Y2), 27 February 1834.

[83] P. L. Cottrell and Lucy Newton, 'Banking liberalization in England and Wales, 1826-1844' in Richard Sylla, Richard Tilly and Gabriel Tortella (eds.), *The State, the Financial System and Economic Modernization*, (1999), p.84

Chart 1.3 Number of joint-stock banks formed in England and Wales between 1826 and 1844[84]



As chart 1.3 shows, thereafter bank promotion gained momentum with something approaching a 'mania' occurring in 1836, with the formation of 59 joint-stock banks in that year alone. A spate like this was not seen again until the 1860s and early 1870s.

What follows is a study of York City & County Bank's changing management and evolving business from its inception in 1830 to its 'coming of age' in the early 1880s. Investigation of the bank's changing asset structure consists of two parts, addressing the broad themes of: banking in an agricultural community until 1870; and, the rise of an industrial and commercial commitment thereafter. The first part has a comparative dimension, at least to the extent provided by Audrey Taylor's study of Gillets, which explored the way that this private bank serviced the midland agricultural community and the market towns of Banbury and Oxford, in the same way that York City serviced the market towns of Selby and Malton.[85] Little attention has been paid to agricultural banking, while Pressnell has suggested that, generally, farmers did not acquire the banking habit until the beginning of the

[84] Chart 1.3 shows the number of joint-stock banks formed between their liberalization in 1826 to the passing of the Bank Charter Act in 1844. Information extracted from Thomas, *Rise and Growth of Joint Stock Banking*, (Appendix M), 'Joint stock banks established in England and Wales, 1826-1861', pp.656-662.

[85] Audrey M. Taylor, *Gilletts. Bankers at Banbury and Oxford*, (1964).

nineteenth century and in some areas, like Somerset, not until the 1830s and 1840s. In this way, the study provides a novel exploration of rural banking administered from a number of market towns.

The second part examines York City's transition from a rural bank to an industrial concern. In 1870, the bank's management turned its attention away from the agricultural community and looked north towards Middlesbrough with a view to entering, for the first time, an investing rather than saving area. The opening of the Middlesbrough branch in 1871 proved to be a catalyst in the bank's development in terms of both its branching strategy and the changing nature of its asset distribution. York City's move into Middlesbrough is examined, therefore, along with the beginnings of its increasing commitment to industrial finance thereafter.

In more detail, the objective of this thesis, at the level of the enterprise, is the investigation of the way in which York City & County Bank evolved from a seed bed of a number of late eighteenth-century trading partnerships to become Yorkshire's and England's premier corporate regional financial institution. The study aims to highlight: the key factors in the bank's growth; the way in which its evolution contrasted with other banks in the region; the influence of local manufacturing and agriculture on the development of the bank; the influence of social change and expectations on the way the bank developed; and its involvement in the amalgamation movement.

More broadly, the thesis considers the transformation of an important regional constituent of the national economy from an agricultural basis to an increasingly industrialised society. What is written forms a banking history, although not narrowly institutionally focused but rather analysing the banker's role as an actor within a regional economy and its society. In this way, it examines the broad themes of economic performance and development through considering and analysing nineteenth-century regional economic growth, especially in terms of the role of financial markets and investor behaviour shaped by bank intermediation. It also looks at innovation, organisation and business processes through investigating the development of provincial bank management and employing bank records to explore the organisational culture of agriculturalists and manufacturers in the north east.

Bank Records and Research Strategy

The bank's history is, by and large, spelled out in its board minute books which provide a comprehensive record of all decisions made at directorate level. A complete set of minute books survive which document the bank's history from its establishment in 1830 to its takeover by the London Joint Stock Bank in 1909. The minute books provide a broad overview of the bank's affairs but the survival, quite unusually, of branch material lends a unique opportunity to explore staff and customer relationships in a very specific manner. In particular, cash books, memorandum books and correspondence from the Selby, Ripon and Howden branches offer a rare insight into the day-to-day running of a country bank branch. Although joint-stock banks were more inclined than private banks to operate branches, until the 1860s they essentially remained locally based with very few establishing branch networks. Given the unusual path pursued by York City in establishing a branch network early on, the value of its extant branch material cannot be overstated, not least for what it reveals about business conduct generally in the locality. Until the 1880s, the backbone of Victorian enterprise was the small/medium- sized firm. Unfortunately, the records of such enterprises have often disappeared which creates problems for the study of nineteenth-century business history. Bank records act as a portal to the world of the small firm, providing a valuable means of exploring the ways in which they behaved. York City provides, therefore, not only a window on business activity within the city of York, but on the way in which credit networks operated throughout the region. Use of this material moreover, has been placed in wider context, as far as banking is concerned, by consultation of the *Circular to Bankers* (1828-53), the *Bankers' Magazine* (1841-1880), and other publications of the profession, such as the *Bankers' Almanac*.

The basic research method has been of the classic archival kind in modern historical investigations: through consulting the bank's records and transcribing data in a form appropriate for computer analysis. In fact, the richness of the surviving data for York City & County Bank has allowed its analysis using a range of techniques, with the aid of various computer packages; for instance, analysis of profits, liabilities and assets, while databases have been applied to explore the relationships underpinning the continuing largely 'private' banking system, in which personal connections were more important than impersonal market evaluations. This leads to considering the way in which contextual information for credit and capital proposals was dispersed due to relatively undeveloped institutional communication systems. Banking was, and is, largely concerned with information, if only because of persistent information asymmetries between borrowers and lenders. The investigation will provide an empirical test of the changing distribution of information and how this affected bankers' decisions regarding the provision of credit and longer-term financial accommodation.

The thesis takes the following form. Having established the context in which the new joint-stock banks were established, looking particularly at the development of York City & County Bank, the next section (chapter 2) examines the way York City's management implemented their early branching strategy, and why they favoured expansion at a time when bankers were, generally, averse to branch networks. An investigation of the implications branch banking had on bank business follows (chapters 3, 4 and 5). In particular, the way in which York City's management accumulated funds is examined, followed by a look at how it distributed assets. Special consideration is also given to the bank's policy towards advances. Discussion of bank business is followed by a look at the men on the banker's side of the counter (chapters 6 and 7). Chapter 6 examines the recruitment, retention and control of staff while its partner chapter analyses the nineteenth century 'salary question'. The remainder of the thesis looks closely at the bank's transitional period of the 1870s. In particular, attention is paid to the arrival of the new general manager at York (chapter 8) who played a pivotal role in the bank's subsequent development; the bank's involvement in industrial finance (chapter 9); amalgamation and consolidation (chapter 10) and the way in which the bank changed between 1870 and 1880 to accommodate this new direction (chapter 11). Finally, concluding remarks are made about York City's first fifty years of joint-stock banking.

CHAPTER 2

AN EXCEPTION TO THE RULE: BRANCH BANKING, 1830-1870

Although joint-stock banks were more inclined than their private counterparts to operate branches and thus manage larger concerns, until the 1860s they were essentially 'reluctant branchers'.[1] Like their private counterparts, early joint-stock banks remained locally based, with very few establishing branch networks. Those banks that opened branches usually did so in the immediate locality, rarely venturing to towns far from the head office. York City & County was atypical in that it embarked on a successful branching strategy from its inception. Between 1830 and 1843 it opened eight branches all situated in the North and East Ridings of Yorkshire. In fact, by 1865, there existed only two truly 'district' banks in Yorkshire: Yorkshire Banking Co, which operated twenty branches largely centred upon the wool district of the West Riding, and York City & County Banking Co. This chapter will examine the way in which York City's management implemented their branching strategy, and why they favoured expansion at a time when bankers were, generally, averse to branch networks.

What was a branch bank?

Banks that operated additional offices usually referred to them as 'branches', 'sub-branches', or 'agencies'. However, these terms were used interchangeably during the nineteenth century, rendering their meaning somewhat ambiguous. It cannot automatically be assumed, for example, that a branch was a permanent office, open each day to receive custom. Banks often sent officials to transact business in neighbouring towns, say, on market day, where business was conducted from temporary premises on an *ad hoc* basis. This might have constituted 'branch business' to one banker but it might equally have been classed as 'agency duty' to another. Clarification was sought on the issue by the *Select Committee on Joint-Stock Banks* (1836-8), which asked a number of bankers what they understood the difference to be between a branch and an agency, and a branch and a sub-branch.

[1] P. L. Cottrell and Lucy Newton, 'Joint-Stock Banking in the English Provinces 1826-1857: To Branch or Not to Branch?', *Business and Economic History*, 27, 1, (1998), p.125.

John Amery, the general manager of Stourbridge & Kidderminster Bank (and formerly the sub-manager of the Birmingham branch of the Bank of England) was quite precise. He described a branch as 'a regular establishment formed, with a person appointed by the directors as manager thereof, who gives security to a considerable amount, having the power of drawing bills on London, or of giving credits'. At an agency, on the other hand, 'powers are limited', he explained, since 'they do not draw bills or give credits; they have a certain amount of cash supplied them for current purposes, an account of which they render to us every week, together with a statement of their receipts and payments'. Moreover, he added, 'they issue the notes of the parent bank; but no notes originate at the agencies'.[2] Other bankers argued that the fundamental difference related to the volume of business conducted and, consequently, the type of staff and premises employed. As Vincent Stuckey maintained, 'an agent is a person who lives in a town, who is probably a shopkeeper, and issues the notes where there is not a clerk; a branch is distinguished by having an office of its own'.[3] This distinction was reiterated by private banker, John Harding, who claimed that the agency business of joint-stock banks was usually carried on by an individual 'who follows some other business as his principal occupation' (such as shopkeeping), the advantage being that 'they are always upon the spot, and can insure their own business, and part, perhaps, of the business of their customers and connexions'[4]. This point was confirmed by the management of Hull Banking Co., who described branches as 'where managers, not engaged in other business, are appointed', and agencies 'where the agent is engaged in other business'. By 1870, York City operated eight branches and two agencies – a clear distinction being made as to the difference between the two. A branch, it was shown, conducted business from permanent premises and was managed by an officially appointed 'agent'. Its agencies, on the other hand, were of a more temporary nature, administered once a week by either a branch agent or clerk as an adjunct to ordinary branch business. For example, in 1858, a house

[2] *B.P.P.*, IX, 1836, *The Establishment of Joint Stock Banks, Select Committee Report,* evidence of John Amery, General Manager, Stourbridge & Kidderminster Bank, qq.538-9.

[3] *Ibid.*, evidence of Vincent Stuckey, Somersetshire Banking Co., q.1329.

[4] *Ibid.*, evidence of John Harding, Banker at Burlington and Driffield, East Riding, Yorkshire, qq.2177-2186.

was obtained at Filey at a rent of £26 per annum to enable a clerk from the Scarborough branch to visit there each Friday.[5]

Attempts to establish the difference between a branch and a sub-branch were equally confusing. The distinction here, explained Walter Gibson Cassel, the London agent of Northern & Central Bank of England, before the *Select Committee*, was that a branch communicated directly with the head office, whereas a sub-branch communicated directly with one of the branches, and through this with the head office. However, he noted that the business at the sub-branch was the same in character to that undertaken at the branch. Prior to 1870, York City did not operate a sub-branch as such - only agencies. From the mid-1870s, however, the term was adopted to describe what had previously been referred to as agency business. For example, in 1874, arrangements were made to open a sub-branch at Boston Spa once a week under the superintendence of the branch agent at Tadcaster. Similarly, attendance was granted at Saltburn in 1875, which was opened as a sub-branch of the parent branch at Middlesbrough.[6]

In short, the evidence suggests that additional offices, however described, carried on the same types of business, albeit on a different scale. For the purpose of understanding York City's structure, it can be said that 'branches' tended to have a permanent office from which business was conducted on a regular basis. 'Agencies' and 'sub-branches' were essentially extensions of the branches, which offered banking services less frequently (perhaps once a week) from a rented room or some other temporary location in a nearby town. While these distinctions are not applicable across the board, for York City, at least, they give a broad indication of the volume of business transacted at each office and an idea, therefore, of their relative importance.

Branch Banking

Despite the debate surrounding the description of different types of branches, early joint-stock banks typically remained locally based, with very few establishing branch networks. As Gilbart notes, 'when the law existed in England that no bank should have more than six partners, the branch system scarcely existed'. In fact,

[5] *DMB* (Y5), 23 August 1858; 6 September 1858.

[6] *DMB* (Y8), 5 January 1874; 28 January 1875.

he added, 'in some cases, a bank had a branch or two a few mile distant, but no instance occurred of a bank extending itself throughout a county or district'.[7] The information in table 2.1 confirms this, showing that, until 1830, banks with more than one office were comparatively rare.

Table 2.1 The growth of branch banking in England and Wales, 1784-1830[8]

Year	1784	1798	1813	1830
Number of firms	119	312	761	483
Number of offices	129	335	922	721
Banks with 1 office	112	298	?	362
Banks with 2 offices	5	8	?	66
Banks with 3 offices	1	4	?	30
Banks with 4 offices	1	1	?	10
Banks with 5 offices	-	1	?	9
Banks with 6 offices	-	-	?	3
Banks with 7 offices	-	-	?	2
Banks with 21 offices	-	-	?	1

Compared to the late-eighteenth century, however, country banks were certainly beginning to branch and, by 1830, a quarter of those firms listed had more than one office, significantly more than in 1784, when only six per cent of firms operated multiple offices. Those banks that opened branches did so locally. It was rare for branches to be opened far from the head office. Similarly, the early joint-stock banks characteristically confined themselves to just a few branches, usually in neighbouring towns. Table 2.2 shows the number of permanent branches managed by joint-stock banks in 1837:

[7] J. W. Gilbart, *Practical Treatise on Banking, Vol. 1*, (1865), p.165.

[8] Figures taken from *Twigg's List of Country Bankers* (1830), quoted in L. S. Pressnell, *Country Banking in the Industrial Revolution*, (1956), p.127.

Table 2.2 Number of permanent branches managed by joint-stock banks in England and Wales (1837)[9]

Number of Branches	0	1	2	3	4	5	6-10	11-20	21-30	30+	Total
Number of Banks	45	10	10	5	6	9	4	7	1	1	98

As table 2.2 shows, almost half operated from just one central office, with no additional branches, while a further 40 per cent managed up to five branches. This shows that only a small proportion of the newly formed banks had developed branch networks of any magnitude by 1837. However, as Gilbart, again, noted, 'it was with joint-stock banking [that] arose the branching system'. Typically, he observed, 'the head office was placed in the county town, and branches were opened in the principal towns and villages around'.[10]

The most progressive bank in terms of branching was National Provincial Bank of England. As the title suggests, its management had ambitious plans from the outset. It was formed in 1833 by 'the father of English joint-stock banking', Thomas Joplin, and expanded thereafter with extraordinary speed. By 1836, it had 30 branches and 23 agencies; a year later, a further eight branches and five agencies had been established, and by 1851, 95 branches had been opened. National Provincial was not a typical example of an early joint-stock branch bank, however, as it extended nationally. Branch networks tended to be concentrated in the same geographical area. In fact, many banks adopted the title 'District Bank', leaving little doubt as to their more modest intentions. For example, the fourteen-strong branch network amassed by Manchester & Liverpool District Banking Co. by 1837 was, on average, located 21 miles from the central bank at Manchester. Similarly, the nineteen branches opened by Yorkshire District Bank within its first two years of business were situated, on average, only 28 miles from the head office at Leeds. As the bank was keen to point out before the 1837 Parliamentary enquiry, 'all of them [are] within the county of York' - the furthest being based at

[9] Data extracted from *B.P.P.*, IX, 1836, *The Establishment of Joint Stock Banks,* 'Returns to questions from banks and banking companies'.

[10] Gilbart. *Practical Treatise,* p.165.

Hull, some 54 miles distant'.[11] Others took on titles, which implied their business was spread over a certain area. For instance, County of Gloucester Bank established branches at Cheltenham, Gloucester, Burford, Cirencester, Faringdon, Tetbury and Dursley. Likewise, North of England Joint Stock Banking Co., based at Newcastle, opened branches at Sunderland, North Shields, South Shields, Berwick, Morpeth, Hexham and Durham.

Until the 1860s, however, 'district' banks remained something of a peculiarity. As table 2.3 shows, by 1855, joint-stock banks were only managing, on average, six branches per bank. The corresponding figure for private banks was just two branches. In fact, the average number of offices at all banks (including joint-stock, private and London institutions) in England and Wales in 1855 was just three – a clear indication that by the mid-nineteenth century branch banking remained unusual. Indeed, the number of branches did not rise that dramatically during the following three decades. As table 2.3 shows, by 1885, joint-stock banks were operating, on average fifteen branches. At the same time, the average number of additional offices across the board was still only 7.7 – evidence indeed that, for private and London bankers at least, branch networks were not being adopted with any great enthusiasm. Nevertheless, as Cottrell and Newton find: 'from the 1860s, English banking began to acquire the character with which it was later to become synonymous – corporate branch deposit banking'.[12]

By the 1870s and 1880s, a small minority of joint-stock banks were working through networks of more than 100 branches. As table 2.4 shows, by 1874, London & County Banking Co. had 149 branches, while National Provincial Bank of England operated a network of 138. By the late 1880s and early 1890s, a handful of further banks were operating branch networks of this magnitude including: Capital & Counties Bank; London & Provincial Bank; Lloyds Bank; Midland Bank; Metropolitan Bank; and, London & South Western Bank. During the latter half of the 1890s, four more banks with more than 100 branches had developed: Barclays Bank; Wilts & Dorset Banking Co.; Parr's Bank and, finally, in 1899 York City & County Bank with 103 branches.

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[11] *B.P.P.*, IX, 1836, *Appendix*.

[12] Cottrell and Newton, 'Joint-Stock Banking in the English Provinces 1826-1857: To Branch or Not to Branch?', p.127.

Table 2.3 Numbers of bank offices in England and Wales, 1855-1885

	Joint-stock banks			Country private banks			London private banks			Total banks		
Year	No. of banks	No. of offices	Average no. of offices per bank	No. of banks	No. of offices	Average no. of offices per bank	No. of banks	No. of offices	Average no. of offices per bank	No. of banks	No. of offices	Average no. of offices per bank
1855	100	631	6.3	252	492	2.0	57	62	1.1	409	1,185	2.9
1856	98	639	6.5	250	489	2.0	57	64	1.1	405	1,192	2.9
1857	98	659	6.7	237	490	2.1	56	62	1.1	391	1,211	3.1
1858	97	651	6.7	246	493	2.0	56	62	1.1	399	1,206	3.0
1859	97	658	6.8	247	497	2.0	54	60	1.1	398	1,215	3.1
1860	97	670	6.9	246	493	2.0	54	60	1.1	397	1,223	3.1
1861	98	681	6.9	240	487	2.0	51	57	1.1	389	1,225	3.1
1862	107	724	6.8	239	500	2.1	51	57	1.1	397	1,281	3.2

	Joint-stock banks			Country private banks			London private banks			Total banks		
Year	No. of banks	No. of offices	Average no. of offices per bank	No. of banks	No. of offices	Average no. of offices per bank	No. of banks	No. of offices	Average no. of offices per bank	No. of banks	No. of offices	Average no. of offices per bank
1863	114	827	7.3	239	508	2.1	51	56	1.1	404	1,391	3.4
1864	117	948	8.1	232	521	2.2	46	51	1.1	395	1,520	3.8
1865	118	1,018	8.6	219	514	2.3	45	50	1.1	382	1,582	4.1
1866	116	1,013	8.7	212	520	2.5	43	48	1.1	371	1,581	4.3
1867	117	1,031	8.8	214	523	2.4	42	47	1.1	373	1,601	4.3
1868	120	1,058	8.8	209	524	2.5	41	46	1.1	370	1,628	4.4
1869	118	1,056	8.9	207	524	2.5	41	46	1.1	366	1,626	4.4
1870	117	1,063	9.1	206	518	2.5	42	47	1.1	365	1,628	4.5
1871	117	1,077	9.2	204	523	2.6	42	47	1.1	363	1,647	4.5
1872	122	1,128	9.2	203	528	2.6	43	48	1.1	368	1,704	4.6

	Joint-stock banks			Country private banks			London private banks			Total banks		
Year	No. of banks	No. of offices	Average no. of offices per bank	No. of banks	No. of offices	Average no. of offices per bank	No. of banks	No. of offices	Average no. of offices per bank	No. of banks	No. of offices	Average no. of offices per bank
1873	124	1,201	9.7	198	524	2.6	44	48	1.1	366	1,773	4.8
1874	122	1,277	10.5	197	529	2.7	44	48	1.1	363	1,854	5.1
1875	127	1,376	10.8	190	539	2.8	43	47	1.1	360	1,962	5.5
1876	125	1,447	11.6	188	550	2.9	43	47	1.1	356	2,044	5.7
1877	124	1,504	12.1	185	553	3.0	43	47	1.1	352	2,104	6.0
1878	124	1,540	12.4	179	556	3.1	42	46	1.1	345	2,142	6.2
1879	125	1,552	12.4	175	566	3.2	42	46	1.1	342	2,164	6.3
1880	128	1,600	12.5	170	555	3.3	43	47	1.1	341	2,202	6.5
1881	127	1,642	12.9	168	564	3.4	43	50	1.2	338	2,256	6.7
1882	127	1,685	13.3	168	573	3.4	43	52	1.2	338	2,310	6.8

	Joint-stock banks			Country private banks			London private banks			Total banks		
Year	No. of banks	No. of offices	Average no. of offices per bank	No. of banks	No. of offices	Average no. of offices per bank	No. of banks	No. of offices	Average no. of offices per bank	No. of banks	No. of offices	Average no. of offices per bank
1883	123	1,724	14.0	163	584	3.6	43	52	1.2	329	2,360	7.2
1884	119	1,754	14.7	160	596	3.7	40	49	1.2	319	2,399	7.5
1885	120	1,814	15.1	160	598	3.7	39	48	1.2	319	2,460	7.7

Source: *Bankers' Almanac,* quoted in Nishimura, *Decline of Inland Bills*, p.80.

Note: Number of offices includes head offices, branches, sub-branches, agencies and sub-agencies, but not London agencies of country banks.

Table 2.4 Banks with more than 100 offices, 1874-1908

Year	London & County Banking Co.	National Provincial Bank of England	Capital & Counties Bank	London & Provincial Bank	Lloyds Bank	Midland Bank	Metro-politan bank	London & South-Western Bank	Barclays Bank	Wilts & Dorset Banking Co.	Parr's Bank	York City & County Bank*
1874	149	138										
1875	150	137										
1876	152	143										
1877	156	145										
1878	156	145										
1879	156	148										
1880	158	150										
1881	158	152										
1882	162	153										
1883	162	152										

1884	162	152										
1885	162	155										
1886	162	156										
1887	165	156	101									
1888	170	156	104									
1889	171	165	116	105								
1890	174	168	133	115	130							
1891	174	168	162	119	145							
1892	176	212	170	128	175							
1893	175	215	171	126	185	105	115					
1894	176	216	179	140	191	110	120	101				
1895	177	218	186	144	199	146	121	101				
1896	177	219	213	150	205	162	122	109	201			
1897	182	230	226	148	249	202	129	113	226	124		
1898	184	233	256	172	256	249	131	124	229	124	108	
1899	186	241	270	190	279	284	134	128	242	128	118	103
1900	191	250	290	197	309	317	133	134	266	131	130	112
1901	198	261	319	203	319	357	135	140	272	136	139	145

1902	219	266	326	217	344	430	138	147	317	145	156	161
1903	229	283	354	229	408	440	137	148	319	148	160	164
1904	239	295	376	232	408	447	137	152	348	150	163	165
1905	246	299	389	237	418	450	137	158	401	152	167	168
1906	255	304	400	239	517	485	138	160	429	157	168	177
1907	264	308	415	248	527	495	140	166	453	160	170	180
1908	268	316	428	255	560	618	140	171	464	166	175	186

Source: *Banking Almanac,* quoted in Nishimura, *Decline of Inland Bills*, p.84.

Note: National Provincial Bank had had more than 100 branches since 1856. London & County Banking Co. had had more than 100 offices since 1859.

*In 1909, York City & County Bank was absorbed by London Joint Stock Bank.

Wilts & Dorset Banking Co is interesting because it was one of the original and unusual 'district' banks of the 1830s. By the end of April 1836, there were at least nine 'district' banks in business or being promoted: Manchester & Liverpool District Bank; Northern & Central Bank; Commercial Bank of England; Devon & Cornwall; East of England; Northamptonshire Banking Co; West of England & South Wales District Bank; Wilts & Dorset Banking Co and; Yorkshire District Bank.[13] Wilts & Dorset was established at Salisbury in 1835. Within one year, its management had opened 24 branches which were situated, on average, within a 35-mile radius of the head office. The furthest branch was at Axminster in Dorset, some 66 miles away.[14] Although the Wilts & Dorset's unconventional branching strategy was successful, a number of early branch banks failed because of ambitious branch networks. In particular, the failure of Northern & Central in 1836, Commercial Bank of England in 1840, and Yorkshire District Bank in 1843 'gave branch banking, albeit primarily at a 'district' level, something of a bad name'.[15]

Indeed, aversion to extensive branch networks until as late as the 1860s was due in part to the spectacular failures of a number of branch banks during the 1830s and 1840s. Northern & Central Bank was the first joint-stock bank to collapse in 1836. From its inception in 1834, it had branched with unprecedented rapidity. As Cottrell and Newton comment, 'Northern & Central's...attempt to become a nation-wide branch bank during the mid-1830s had initially been met with some acclaim'.[16] By 1836, the firm boasted a capital of £700,000, 1,200 co-partners, and a network of 40 branches and agencies. Although these were principally concentrated within an 80-mile radius of the head office at Manchester, they were also scattered as far away as Bristol in the south west, and Carnarvon and Bangor in North Wales.[17] The bank failed because of the 'luxurious accommodation' said to have been granted to directors and their friends, but careless branch control undoubtedly played a role in its downfall. Large unsecured advances were made at

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[13] P. L. Cottrell and Lucy Newton, 'Banking liberalization in England and Wales, 1826-1844' in Richard Sylla, Richard Tilly and Gabriel Tortella (eds.), *The State, the Financial System and Economic Modernization*, (1999), p.99.

[14] *B.P.P.*, IX, 1836, *Appendix.*

[15] Cottrell and Newton, 'Banking liberalization in England and Wales', p.99.

[16] *Ibid.*

almost all of the branches by managers who operated autonomously from head office. In all, the loss to shareholders was about £600,000. [18]

As a result, evidence given before the parliamentary enquiries of 1836 and 1837 displayed a certain antipathy by private and joint-stock bankers alike towards ambitious networking, not least because of the difficulty of control it implied. Joseph Gibbins, a director of Birmingham Banking Co, was of the opinion that branches were 'dangerous' because 'they cannot be so immediately under the inspection of the directors where they are widely extended; nor can the individuals who manage them in general be so well acquainted with the local circumstances of those places'.[19] This idea was reiterated by James Pim, who considered the difficulties of managing a bank 'not increased in the ratio, in a mere numerical ratio, [but]...in a higher order' to the number of branches.[20] Furthermore, the risk of branches too far distant was noted by Vincent Stuckey, who stated that he would have 'no branch more than about 50 miles from the parent bank' or if possible 'would confine the operations of the company to one county, if that county were tolerably large, or if not, to two'.[21]

Yorkshire 'branchers'

Two Yorkshire banks, which branched nonetheless, were Yorkshire Agricultural & Commercial Banking Co. and Yorkshire District Bank. Both developed spectacular branch networks within a short space of time; yet each had failed within ten years of commencement. Within just six months, Agricultural & Commercial Bank had opened branches at Driffield, Pocklington, Hull, Leeds, Malton and Whitby, and agencies at Hunmanby, Bridlington, Kirby Moorside, Pickering, Market Weighton, and Tadcaster. As Phillips tellingly noted, however, 'nearly all the establishments were competitive, as in most of the places, the

[17] *B.P.P.*, IX, 1836, *Appendix.*

[18] S. E. Thomas, *Rise and Growth of Joint Stock Banking*, (1934), p.285 and 669.

[19] *B.P.P.*, IX, 1836, evidence of Joseph Gibbins, Director, Birmingham Banking Co.; Originator, Gloucestershire Banking Co., qq.974-5.

[20] *B.P.P.*, VII, 1837-8, *The Establishment of Joint Stock Banks, Select Committee Report,* evidence of James Pim Jnr., Boyle, Low, Pim & Co., Dublin, q.377.

[21] *B.P.P.*, IX, 1836, evidence of Vincent Stuckey, Somersetshire Banking Co., q.1325.

ground was well occupied by existing banks'.[22] When it failed some six years later, among the various reasons was the creation of an over-ambitious branch network, which had been established at places where sufficient banking provision already existed.

Yorkshire District Bank was equally ambitious - within three years it had established nineteen branches, spanning the county from Bradford in the west, to Hull in the east.[23] The District Bank was based at Leeds in the heart of the industrial West Riding, and the largest town in Yorkshire. The area was dominated by the iron and textile industries, meaning that 'banking in such a place was likely to demand far greater resources, both in skill and available funds, than was necessary in the [agricultural] North and East Ridings, more particularly if a branch system was contemplated'.[24] Initially, the bank was opportunistic in its branching strategy by taking over businesses relinquished by existing private bankers. However, underpinned by a large capital base, it was able to continue opening branches at a brisk pace. The failure of Yorkshire Agricultural & Commercial Bank in 1842 had tarnished the reputation of other banks in the area and a committee went to examine the District Bank. Quite disastrously, the committee found evidence of 'gross mismanagement', while the accounting methods uncovered at various branches proved questionable. As Crick and Wadsworth concluded, 'the complex accounting of a branch system to some extent hid weaknesses in the position of the bank until it was too late to remedy them'. Furthermore, these tended to affect those banks with extensive branch systems, and 'until the second half of the century such banks were often faced with difficulties which did not trouble single-office banks'.[25] When the bank collapsed in 1843, profitable parts were salvaged and taken over by Yorkshire Banking Co., which retained 13 branches and 12 agencies, and continued to branch, albeit more prudently, thereafter.

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[22] Maberly Phillips, *A History of Banks, bankers and Banking in Northumberland, Durham and North Yorkshire*, (1894), p.412.

[23] *B.P.P.*, IX, 1836, *Appendix*.

[24] W. F. Crick and J. E. Wadsworth, *Hundred Years of Joint Stock Banking*, (1936), p.212.[24]

[25] *Ibid.*, p.214.

Essentially, therefore (as table 2.5 illustrates), joint-stock establishments in Yorkshire fell into one of two categories: banks that restricted their business to their immediate locality, operating from a central office with occasionally one affiliated branch, and larger banks which extended their affairs over a wider geographical area, by opening a number of branches. Of the 22 joint-stock banks established in Yorkshire between 1826 and 1836, only five fell into the latter category, two of which soon failed. Indeed, a number of the managements of Yorkshire joint-stock banks were openly hostile to the idea of branch networks. Representatives of Wakefield Banking Co. commented before the 1836 *Select Committee* that they 'do not approve of any [branches] except under very peculiar circumstances', and the directors of Halifax Joint Stock Banking Co. added that it 'has not any branch, disapproving of the system of branches'.[26] In fact, generally speaking, the new joint-stock banks in Yorkshire were not that dissimilar in character to local private houses, with relatively few attempting to establish networks and this echoed the national picture.

Despite the hostility expressed towards branches from so many quarters, a minority with foresight championed their establishment at an early date. Gilbart's essays, in particular, lent support to the system: providing 'vigilant and constant inspection [is exercised]' and 'a rigid system of discipline' implemented, 'branch systems have a number of advantages. Quite simply, he pointed out, 'the branch system unites together a number of persons'. In this way, networks extended the provision of banking services to small towns where independent banks could not be supported. They facilitated the easier transmission of money; provided a means of distributing capital; and secured a better system of management since large banks were overseen by boards of directors – 'men of wealth and respectability' – which, he argued, was preferable to a small number of independent bankers. 'County or district bankers have, no doubt, many advantages' he concluded, 'but they do not seem to supersede banks on a larger scale'.[27]

As table 2.5 shows, Hull Banking Co., York Union Bank, and York City & County Banking Co. were established on this principle. Regrettably, like the District and Agricultural Banks, Hull Banking Co. branched too rapidly, and imprudently, for

[26] *B.P.P.*, IX, 1836, *Appendix*.

[27] Gilbart, *Practical Treatise on Banking*, pp.165-70.

Table 2.5 Joint-Stock Banking in Yorkshire (1837)

Name of bank	Year est.	Fate	Number of (permanent) branches in addition to head office	Number of agencies	Average distance of (permanent) branches from central bank
Huddersfield Banking Co.	1827	Absorbed, 1897	0	0	-
Bradford Banking Co.	1827	Absorbed, 1910	0	0	-
Halifax Joint Stock Banking Co.	1829	Absorbed, 1919	0	0	-
York City & County Banking Co.*	1830	Absorbed, 1909	5	1	22
Sheffield Banking Co.	1831	Absorbed, 1919	1	0	6
Knaresborough & Claro Banking Co.	1831	Absorbed, 1903	1	2	10
Barnsley Banking Co.	1832	Absorbed, 1897	0	0	-
Wakefield Banking Co.	1832	Absorbed, 1840	0	0	-
Leeds Banking Co.	1832	Failed, 1865	0	0	-

Bradford Commercial Joint Stock Banking Co.	1833	Absorbed, 1904	0	0	-
York Union Banking Co.	1833	Absorbed, 1902	4	0	26
Hull Banking Co.	1833	Absorbed, 1894	5	5	28
Yorkshire District Bank	1834	Failed, 1843	19	0	28
Leeds & West Riding Banking Co.	1835	Failed, 1846	1	3	10
West Riding Union Banking Co.**	1836		0	0	-
Sheffield & Hallamshire Banking Co.	1836	Absorbed, 1913	0	0	-
Halifax Commercial Banking Co.	1836	Absorbed, 1919	1	0	7
Leeds Commercial Banking Co.	1836	Failed, 1846	0	0	-
Sheffield & Rotherham Joint Stock Banking Co.	1836	Absorbed, 1907	1	0	16
Halifax & Huddersfield Union Banking Co.***	1836	Absorbed, 1910	0	0	-
Yorkshire Agricultural & Commercial Banking Co.	1836	Failed, 1842	6	0	28
Swaledale & Wensleydale Banking Co.	1836	Absorbed, 1899	2	1	10

Information extracted from: B.P.P., XIV, 1837, *The Establishment of Joint Stock Banks, Appendix.*

* Report does not mention any agencies; the board minutes state, however, that an agency existed at Goole.

** No branches as such; the company has two banks, one at Huddersfield and one at Dewsbury (8 miles apart). Formerly the Mirfield and Huddersfield Banking Company.

*** No branches as such; the company has two banks, one at Huddersfield and one at Halifax (8 miles apart).

which it also suffered. Unlike Yorkshire District, it did not await the creation of vacancies by dwindling numbers of private firms, pressing ahead instead with opening branches north and south of the Humber. By 1837, just four years after commencing business, it had five branches and five agencies, plus a further five towns at which attendance was given - the farthest being at Lincoln, some 40 miles from the head office.[28] However, the situation of Hull Bank's branches created friction between itself and Lincoln & Lindsay Banking Co. which was newly-established at Lincoln, and also had branches spread across north Lincolnshire. Minor disputes affected the profitability of both banks' branches. At the same time, Hull Bank was finding it difficult to employ fully its resources in the agricultural East Riding, and turned to a firm in Leeds to invest its surplus funds. In 1839, the firm failed owing £40,000, which precipitated a 'run' on the bank. Assistance from London, coupled with additional calls made on shareholders, ensured the bank's survival, albeit on a smaller scale. The number of branches was reduced to just three, and any further attempts to branch were abandoned.[29]

In terms of branch banks, this left York Union and York City. York Union Bank was an unusual case, however, since it was established by railway magnate, George Hudson, and, from the outset, was used as a tool for financing his railway building schemes. In this way, the fortunes of its branches were inextricably tied up with activity at head office. Within four years, branches were established at Driffield, Burlington (Bridlington), Malton and Thirsk. By 1845, its branch network extended to eleven offices in the North and East Ridings. However, when the railway construction boom of the 1840s ended in 1847, it was discovered that Hudson's schemes had drawn heavily on the resources of the bank, which, during the crisis years of 1847 and 1848, was forced to turn to London for assistance.[30] Despite the bank's miraculous survival, the scope of operations was trimmed down and, by 1855, its branches numbered just eight.

York City & County: Branch bank

Quite unusually, then, York City's management embarked on a successful branching strategy from the bank's inception. Between 1830 and 1843 eight

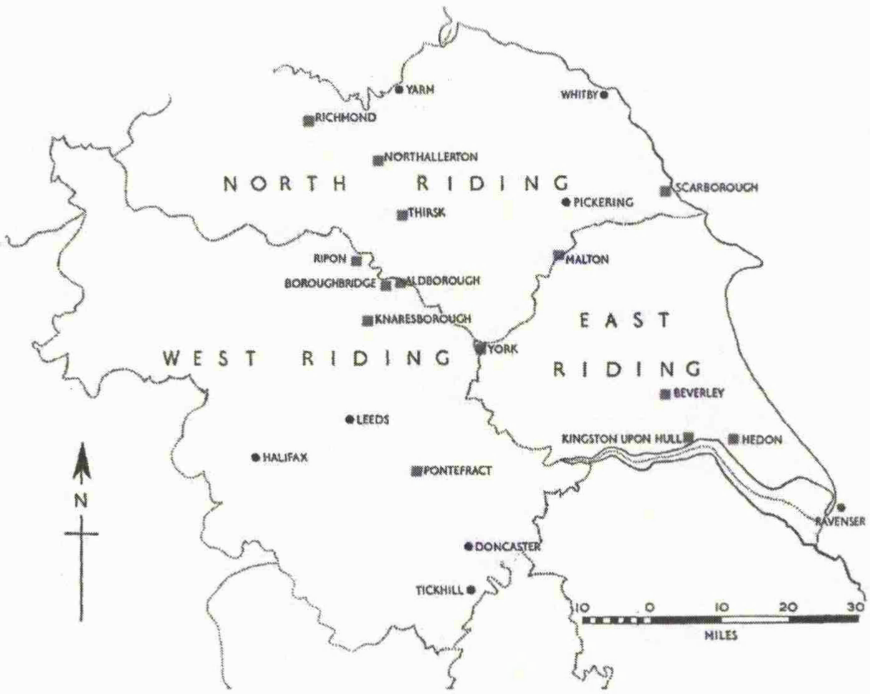
[28] *B.P.P.*, XIV, 1837, *The Establishment of Joint Stock Banks, Appendix.*

[29] Crick and Wadsworth, *Hundred Years of Joint Stock Banking*, p.211.

[30] Richard S. Lambert, *The Railway King*, (1934), p.21.

branches were opened, all situated in the North and East Ridings of Yorkshire. Attendance was later commenced at Snaith (in 1848) and Filey (in 1858) but essentially the bank's first spurt of branching ended in 1843 with the opening of its Whitby branch. It was not resumed again until 1871 when a branch was established in Middlesbrough, the north-east's industrial heartland.

The Yorkshire Ridings[31]



A branch was opened during the bank's first year of business at the market town of Malton. 'The subject of Branch Banks having engaged much of the attention of the directors' it was reported, 'it appeared to them that there was a good opening at Malton and they came to the resolution that B. T. Wilkinson should attend there on market days...' Convinced of the 'prosperity of regularly commencing business' suitable premises were acquired and a full-time agent, Benjamin Collins, was employed to manage the branch. From thereon, York City's branching strategy became, essentially, opportunistic, quickly filling vacancies left by the declining numbers of private bankers and the collapse of several joint-stock institutions. Apart from gaining valuable custom built-up beforehand, in many instances the

[31] York City's branches and agencies were located at: Scarborough, Whitby, Ripon, Malton, Howden, Goole, Selby, York, Snaith and Filey.

bank also obtained its predecessor's premises and, more importantly, key members of staff. The retention of an employee already familiar with business practices and local needs afforded significant advantages at a time when personal networks were, undoubtedly, more important than impersonal market evaluations.

The branches at Selby, Howden, Boroughbridge, Ripon and Whitby owed their establishment to private banks which had either failed, creating vacancies, or relinquished their business in favour of York City. In each instance, one or more members of staff from the preceding firm were retained to manage the new branch. For example, the failure of Wentworth & Co. in 1826 not only created an opening for the formation of the new bank itself but also furnished the York City with its first agent B. T. Wilkinson. Initially employed as 'second clerk' at York, Wilkinson also attended the nearby towns of Malton and Selby on market days to transact business until permanent branches (and permanent agents) were established there.

The failure of Scholfield & Clough in 1831 provided a further opportunity for branch expansion. According to one account, the private bank, originally titled John Scholfield, Thomas Coates & Co. later becoming Scholfield, Clarkson & Clough, 'got into low water' through the behaviour of Clarkson who robbed the bank and was subsequently 'sentenced to penal servitude and shipped to Tasmania'.[32] Thomas Clough, the son of John Clough (one of the partners) succeeded in pulling the business together, eventually 'handing the private firm over to the York City and County Banking Company in 1832'. However, there are no official records to suggest that the old private firm was absorbed by York City. Scholfield & Clough failed at the end of 1831 whereupon the City & County resolved 'that the Branch at Selby which hitherto has been opened only on market days shall be opened for the transaction of business daily; and permanently carried on'.[33] Shortly after, managing director, Thomas Price, reported 'that a deputation from Howden had specially come over to York to solicit the company to open a branch in that place'.[34] Following a visit by Price and branch agent B. T. Wilkinson it was decided that a branch bank was to be established as soon as

[32] *Miscellaneous Correspondence File*, York City & County Bank.

[33] *DMB* (Y1), 27 October 1831.

[34] *DMB* (Y1), 27 October 1831.

possible, the premises in Howden being purchased from the assignees of the failed bank. At the following AGM it was stated that 'the directors have avail'd themselves of the favourable opportunity which presented itself by the failure of the banking firm of Messrs. Scholfield and Clough of establishing branches of the company at Selby and Howden'.[35] Having capitalized on the private firm's demise, business commenced almost immediately at Selby and Howden under the superintendence of Robert Morrell and Thomas Clough respectively, described as 'gentlemen who with high respectability of character combine competent knowledge and many years experience in banking'.[36]

The first agent at Whitby was also recruited due to a bank failure, this time of a joint-stock bank. Following its collapse in 1843 Yorkshire Agricultural & Commercial Bank offered its premises at the seaport town to York City. The bank house was purchased, and W. H. Cramp, former agent of the Agricultural Bank was employed to manage the new branch. Staff were also drawn from those firms which were handed over to York City. In January 1833 it was reported by York City director, Thomas Laycock, that 'he had been given to understand that Messrs. Fletcher & Co. Bankers at Boroughbridge are on the eve of retiring from business, and someone of the partners had expressed a wish to be succeeded by a Branch of this company upon which the Managing Directors were instructed to write to them upon the subject'.[37] The firm of Fletcher, Stubbs, Dew & Stott - later Fletcher, Stubbs & Stott following the death of Thomas Dew which in likelihood prompted the sale - was a private firm of bankers at Northallerton, established sometime prior to 1823, and carrying on their business principally at Boroughbridge.[38] It was proposed by Fletcher & Co, that:

> '...on the consideration of each of the three partners having 15 shares in the company presented to him free of charge; and the firm being at liberty to borrow of the company if found necessary, the sum of ten thousand pounds

[35] *DMB* (Y1), 23 February 1832.

[36] AGM, *DMB* (Y1), 23 February 1832.

[37] *DMB* (Y1), 14 January 1833.

[38] Phillips, *History of Banks, Bankers and Banking*, p.266.

> at 4 per cent for one year, they would relinquish their business in favour of the Directors on the first of October next.'[39]

In response, the directors proposed that the number of shares to be allowed to each partner, free of cost, was ten and the loan upon the terms required was acceptable, providing business could be entered upon three months earlier than proposed by Fletcher & Co. Moreover, the fixtures in the bank were requested free of charge and, before any settlement was reached it was requested that Robert Barnes, the general manager, be allowed to inspect the books, the company being required to take 'only such accounts as may be approved of'.[40] Agreement was reached and the business was relinquished in favour of York City who commenced business there on 15 August. Not only did York City gain John Drage, principal clerk for 20 years of the private house, to manage the branch, but the house's clerks and premises as well.

Similarly, business commenced at Ripon in 1838 in the premises vacated by Farrer & Williamson under the care of William Farrer, one of the partners in the former bank. It was reported on 6 November 1837 that the private bankers had expressed a desire to relinquish their business as bankers at Ripon in favour of York City, provided 'the sum of £5,000 be placed at their disposal at 4 per cent per annum for the purpose of retiring their notes now in circulation. The said sum to be repaid in yearly payments of not less than £1,000 the first payment to be made at the end of the year 1838'. Furthermore 'such of the accounts current as may after investigation be transferred be guaranteed for two years from the time of transfer'.[41] These terms were agreed and business was commenced, under the superintendence of William Farrer, at Ripon in 1838.

The absorption of the business of Richardson, Holt & Co. at Pickering and Whitby also yielded experienced staff. On the bank's winding up, contemporary writer, Maberly Phillips reported that 'for some reason [Richardson, Holt & Co.] wished to end their business as bankers and approached the York City, but the latter seem to have wanted payment for taking over the bank, Messrs. Richardson & Holt

[39] *DMB* (Y1) 27 May 1833, Y1.

[40] *Ibid.*

[41] *DMB* (Y2), 6 November 1837.

being quite solvent, naturally declined, and proceeded to wind up voluntarily'. Eventually, he added, 'some arrangement was made with the York City, but I am told no money passed between the two banks'.[42] According to York City's records, however, the private business was purchased for £3,000. 'The credit accounts [are] to be immediately transferred' they ordered, and 'a selection be made from the overdrawn accounts, without a guarantee, and the remainder [are to be] guaranteed for 12 months by Messrs. Richardson, Holt & Co.'[43] Christopher Richardson, previously the manager, was engaged as a clerk at Whitby where he remained for eight years, succeeding Cramp as agent to the branch in 1851. Thus, in pursuing a largely opportunistic branching strategy, seizing upon vacancies created, York City not only gained the acquired firms' businesses but, by retaining key staff members familiar with banking practice, it solved, in part, its own recruitment problem.

Branches were also opened at Goole (in 1838) and Scarborough (in 1832). Attendance probably commenced at Goole at the same time as the opening of the Howden branch. Indeed it was reported that: 'Mr. Thomas Clough opened the Goole branch from Howden - Riding on horseback with saddlebags and pistols and having to cross the Ferry, at Howden Dyke, Goole being 4 miles away'.[44] However, Goole was not considered a branch *proper* until 1838. As a result of the difficulties experienced by Hull Banking Co. during the latter half of the 1830s its branches were closed at a number of locations including Goole and Howden. Francis Lister, Clough's long-standing assistant at Howden, was appointed agent to the 'new' branch which, until then, appears to have operated as an 'agency' or 'sub-branch' of Howden. York City's management were also very keen to establish a branch on the east coast at Scarborough. It was intimated as early as 1830 that an agent would be engaged to visit the town. At a board meeting in August 1831, a letter was read from Joseph Stickney of Scarborough accompanied by a plan of premises suitable for a branch. Although the board declined to purchase, clearly steps had already been taken to secure an opening there. Problems securing suitable premises delayed the branch's opening and business at Scarborough eventually commenced on 15 August 1832.

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[42] Phillips, *History of Banks, Bankers and Banking*, p.228.

[43] *DMB* (Y3), 15 May 1843.

[44] *Miscellaneous Correspondence File*, York City & County Bank.

Branches were also established at the request of inhabitants of local towns, a practice contemporary authority, George Rae warned against. 'When you receive a memorial numerously and influentially signed, inviting your Bank to open a branch at some place, it might be well', he advised, 'to have the history of the document closely inspected'.[45] In his experience, the promoters of such memorials tended to have an eye on the new branch themselves, and campaigned for a new branch in their own, rather than the banks, interest. Nevertheless, business was commenced at Selby after shareholders and 'other influential people' petitioned directors to open there. Similarly, at Goole, following the withdrawal of Hull Bank, a memorial was presented to the directors of York City 'signed by the most influential Merchants, Shipowners and Inhabitants of the Town and its vicinity, requesting they would increase the attendance of their Agent from three days a week, to the establishment of a permanent Branch Bank at that place'.[46] However, applications for branches were not always conceded. As early as 1831 a letter was read before the board from a Ripon inhabitant (presumably on behalf of other residents) relating to the establishment of a branch, a proposition considered by the directors but ultimately declined. It was not until 1838 that a branch was established at Ripon, occasioned by the vacancy left by Farrer & Williamson. Banking facilities were also requested for Pocklington in 1831 by 'several most respectable and influential inhabitants' who expressed 'a wish for a clerk to attend the market there'.[47] This was also declined. In December 1840 Christopher Cartes, the last agent of Yorkshire District Bank at Knaresborough, attended the board 'for the purpose of ascertaining the wishes of the Directors as to opening a Branch at that place', given the difficulties District Bank was then experiencing. However, the directors determined that 'under present circumstances a branch should not be established'.[48] It was a cautious decision, perhaps influenced by the adverse economic conditions of the previous year, which had produced a further batch of joint-stock and private bank failures.

[45] George Rae, *The Country Banker*, (1885), p.285

[46] AGM, *DMB* (Y2) 31 January 1839.

[47] *DMB* (Y1) 9 May 1831.

[48] *DMB* (Y3) 21 December 1840.

York City's accumulation of business at the expense of private banking was sealed in 1845 by the absorption of Frankland & Wilkinson. Built upon the foundation of private bankers, Messrs. Peirson (established at Whitby in 1778 and retired from the profession about 1820), the firm 'considerably extended their field of operations' during the 1820s, culminating in partnership with Sir William Chaytor in 1829. When the business of Sir William Chaytor, Frankland & Co. was obtained by Chapman & Co. (later Newcastle, Shields & Sunderland Union Joint Stock Bank) in 1836, the Whitby establishment was not included in the arrangement. Frankland & Wilkinson retained the seaport branch until 1845, when it was offered to York City.[49] The terms of the agreement were laid out as follows:

> '...that such of their customers accounts as may at the time of transfer be in advance from the Bank shall, if required be guaranteed by Messrs. Frankland and Wilkinson for one year; that their influence shall be exerted to induce their connexions to transact their business with us; and that the sum of six hundred pounds shall be paid to them 6 months after the completion of the transfer'.[50]

As a point of interest, *White's Directory* (1838) listed five banks operating at Whitby; given that the York City absorbed three of those, leaving Chapman & Co. (which was absorbed by Newcastle, Shields & Sunderland Union Joint Stock Bank in 1836 when it ceased to operate at Whitby) and Robert and John Campion (which failed in 1841), the acquisitions gave the bank something of a monopoly in the provision of banking services at Whitby.

In short, York City's management pursued an opportunistic and, in some ways, passive, branching strategy, awaiting the creation of suitable vacancies before staking a claim to banking provision in any one town. Branches were also opened in various places at the request of local residents. If the directors felt sufficient return was guaranteed, accommodation was duly guaranteed.

It might also be said that York City's branching strategy was a product of its location. According to work by Pressnell regarding private banks, branch banks

[49] Phillips, *History of Banks, Bankers and Bankers*, pp.273-4.
[50] *DMB* (Y1), 10 March 1845.

tended to operate in agricultural areas. He found that 'the important branch networks were regional concentrations, almost invariably of banks of similar types; they were spread mainly in the agricultural areas of the south and west and along the trading eastern half of the country'.[51] By 1830, there were four branch networks operating in East Anglia, dominated by Gurneys which had 21 branches. Similarly, in the south and west, six banks had branched by 1830, one of which was Stuckey's Banking Co. which served the agricultural districts of Somersetshire. There were also notable concentrations along the eastern half of the country, north of East Anglia. For example, Ridleys of Newcastle managed six branches, while Skinners of Stockton operated five additional offices. In short, noted Pressnell, there was a concentration of branch banking almost exclusively in agricultural areas. The reason for this, he explained, was straightforward:

> 'there were fewer outlets for investment in the rural areas than elsewhere; people with savings were less likely to invest them directly in their own enterprises than to leave them on deposit, at interest, with country banks; this tendency was heightened by the scanty opportunities for investment in shares and stocks other than those of public utilities and the Funds.'[52]

In other words, branches tended to be established in 'saving' areas where deposits could be collected to be sent for use in industrial and manufacturing areas. Agricultural districts were dominated by people with savings and, as York City found, especially from 1850, it was difficult to employ those funds fully in the locality. Moreover, outlets for investment remained limited and people looked to banks to profitably house their savings. Therefore, by branching, banks like York City were able to reach small market towns where there was untapped potential for deposit accumulation, and in doing so they were able to increase business by subsequently lending out a larger amount of funds. Indeed, it is unlikely that agricultural banks would have survived if they had not branched. Given the sparse populations in market towns, agricultural banks had to reach out over a wider distance to reel in custom. Banks in industrial or 'investing' areas on the other hand could safely survive by operating in a given locality from one office. Industrial and manufacturing towns tended to be more densely populated and

[51] Pressnell, *Country Banking in the Industrial Revolution*, pp.126-7.

[52] *Ibid.*, p.128.

banks did not have to look too far for customers. In this way, it was rare for firms to have offices in both 'saving' and 'investing' areas. Indeed, the branching strategy employed by York City's management was confined very much to the North and East Ridings of Yorkshire. No attempt was made to enter an 'investment area' until 1871 when the bank opened a branch at Middlesbrough. In this context, therefore, it might be argued that York City was perpetuating a trend already established by its private predecessors.

It is also agreed, at a general level, that the location of banks in the major ports and in towns alongside the post roads, indicates the importance of good communications as a factor influencing the subsequent development of networks. According to research by Dawes and Ward-Perkins, 87 per cent of towns with a bank in 1790 were post towns[53], showing quite clearly 'the close connection between early banking and the improvement in provincial communications, the essential requirement for economic expansion'.[54] Indeed, as Pressnell showed, banks were instrumental in financing the development of turnpikes, and the construction of canals during the late eighteenth century, with bank partners supporting their original promotion and subsequently becoming trustees by subscribing to the initial capital; or by supplying loans and overdrafts in times of need.[55] Moreover, just as new roads had played an important role in the growth of private country banking, so too did the coming of the railways. As Dawes and Ward-Perkins further comment, 'the self-sufficiency of country towns was breached by the arrival of the train, and district banking became more appropriate than highly localized partnerships'.[56] Indeed, examination of York City's branching strategy between 1830 and 1870 would be incomplete without considering the influence of improvements in the local, and national, communications infrastructure, and in particular the development of the railway network in the north east.

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[53] Post towns were those situated along the fast turnpike roads where a staging post allowed a change of horses.

[54] Margaret Dawes and C. N. Ward-Perkins, *Country Banks of England and Wales, Vol.2*, (2000), p.2.

[55] Pressnell, *Country Banking in the Industrial Revolution*, p.269 and pp.372-400.

[56] Dawes and Ward-Perkins, *Country Banks of England and Wales*, p.4.

A number of York City's original directors were involved in the development of the railways. The first public railway to touch Yorkshire was a branch of the Stockton & Darlington Railway which extended to Yarm in 1825. The railway was conceived in 1818 following a meeting held to discuss ways of connecting Stockton with the Auckland coal-fields. The committee appointed to organise the pioneer railway scheme included three members of the Backhouse family, including future York City director, Thomas Backhouse. The completed railway - the first in the country - was opened in 1825.[57] While the opening caused quite a sensation at the time, as did the Liverpool and Manchester line five years later, their long-term significance was not immediately recognised and, despite a number of proposals for other lines, there was no revolution in railway building for some years.

The first waves of enthusiasm for railway building - indicative of the momentum that was to gather - were evident in York in 1833, when a group of businessmen met at *Tomlinson's Hotel* to discuss the possibility of building a railway into the city. This Railway Committee became in due course the provisional committee of York & North Midland Railway Co. In August 1836 the company's first directorate was selected. It comprised, amongst others: Sir John Simpson, the Lord Mayor; Richard Nicholson, George Hudson's brother-in-law; George Dodsworth, an original committee member of York City & County Bank; James Meek, Thomas Backhouse and Thomas Barstow, all directors of York City (the latter two comprising founder members) and George Hudson, the so-called 'Railway King', who was elected chairman.

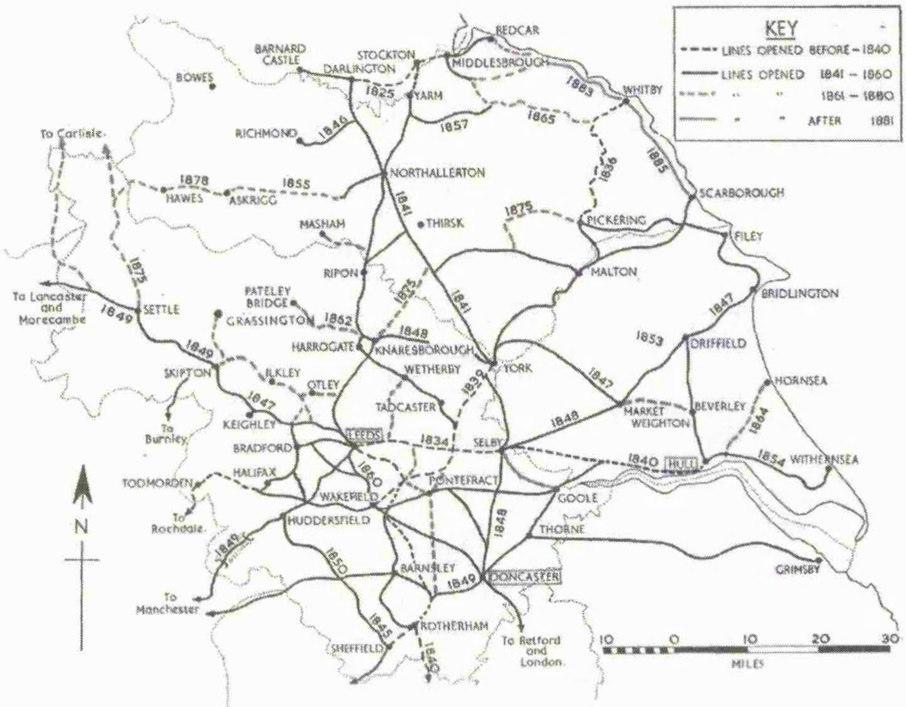
Railway schemes were, in all likelihood, discussed in York earlier than the meeting at *Tomlinson's* following the successful opening of the Stockton-Darlington line in 1825. Although the men who met in 1833 were regarded as innovators, as Peacock and Joy note 'they were doing precisely what their predecessors had been attempting to do for years' in trying to revive a 'stagnant' city into a hub of commercial activity comparable to Bradford, Halifax and Leeds.[58] Business and personal relationships between York City's directors and the railwaymen of York were close because, firstly, the bankers were among those

[57] Phillips, *History of Banks, Bankers and Banking*, p.154.

[58] A. J. Peacock and David Joy, *George Hudson of York*, (1971), p.23.

pioneering the development of the railways and second, the banks were called upon to provide capital to build the railways. With such information at hand, it is not unreasonable to assume, therefore, that opening of branches in thriving market towns, soon to be further busied by the coming of the railways, would have been a tempting, if not inevitable, proposition. For those with foresight, the placing of branches in towns with the potential to expand as a result of railway connections could only reap rewards. Increased activity (in terms of trade and tourism etc.) would have a knock-on effect on bank business, provided a branch was established ahead of competitors. Second, once the railways were constructed, bankers would have access to a quick inter-regional communications system. As Collins noted: 'the bankers quickly recognised the advantages of using the railroads and switched their business away from the highways'.[59]

<u>The development of the rail network in Yorkshire</u>[60]



In York City's case, this might explain why branches were established as far away as Scarborough and Whitby (and later at Filey). Both George Stephenson and

[59] Michael Collins, *Money and Banking in the UK: A History*, (1988), p.22.

[60] For a comprehensive discussion of railway development, competition and consolidation in the north east, see W. W. Tomlinson, *The North Eastern Railway: its Rise and Development*, (1914).

George Hudson had ambitious plans for two branch lines - one to Pickering to connect Whitby with York and one to Scarborough. In particular they were described as Hudson's 'cherished projects', while he possessed land on a large scale in the East and North Ridings including property at Whitby. Until the nineteenth century, 'Whitby's charms as a seaside resort were almost unknown to the outside world...cut off, and remote...access being difficult by all means but sea, it did not encourage many visitors'.[61] Hudson believed that the old seaport could be transformed into a popular seaside resort, while Scarborough, on the other hand, he claimed was destined to become the 'Brighton of the North'.[62] Moreover, it was said, a line to the two coastal towns 'would give the York and North Midland Company command of the finest seaboard and of one of the richest agricultural districts of Yorkshire'[63] and, not least in Hudson's mind, the prestige of having a line pass through his home town of Howsham. The railway connection coupled with Hudson's idea of building hotels and boarding houses to attract visitors ensured that both Scarborough and Whitby retained their popularity as tourist destinations. Indeed, as White comments in his *History of Whitby*, 'the railway, although a financial disaster, opened up Whitby and George Hudson was quick to capitalize on that'.[64]

It has been shown, therefore, that communications played an important role in determining where early provincial bankers opened for business. As Dawes and Ward-Perkins point out, 'it is improbable that a prospective banker weighed the advantages of a staging post against a coal mine, or a sea-port against a market town as an abstract exercise', but it is clear that country bankers responded to the coming of the railways by expanding their branch systems. In particular, the interrelatedness of railways and joint-stock banking in York during the 1830s in terms of interlocking social networks, meant that bank branching was undoubtedly steered by Hudson's vision of the rail network of the north east. If many towns were to be brought to life by means of rail links, branch banks had to be established at those places sooner rather than later which York City's management recognised.

[61] Andrew White, *A History of Whitby*, (1993), p.104.

[62] Lambert, *Railway King*, p.54.

[63] Tomlinson, *The North Eastern Railway*, p.343.

[64] White, *History of Whitby*, pp.105-6.

Within fifteen years York City & County Bank had developed eight branches in market towns across the East and North Ridings, which serviced the requirements of the agricultural community. No attempt was made to establish branches in the West Riding since banking provision was sufficiently supplied by the local banks (and later Yorkshire Banking Co.). Furthermore, the West Riding differed starkly in character from the East and North. While the latter were predominantly rural areas, manufacturing industry – in particular, textiles, and iron and steel - typified the West, creating an entirely different customer with correspondingly different requirements. By 1865, there existed only two truly 'district' banks in Yorkshire: Yorkshire Banking Co. which operated twenty branches largely in the West Riding, and York City & County Banking Co. which managed eight branches and two agencies (at Snaith and Filey).

CHAPTER 3

BANK BUSINESS: THE ACCUMULATION OF FUNDS

Business commenced in March 1830 and, 'although little was transacted for some time', a 'gradual improvement' was said to mark the bank's progress with a small surplus being reported at the following year's AGM.[1] The following chapters will look at ways in which the bank's management built on its modest beginnings to create a business which, by 1870, had deposits totalling over £1.3 million. The discussion will be split into three parts. An overview of the bank's liabilities will be presented first, using balance sheets compiled from the annual reports and private ledgers. Secondly, the bank's asset structure will be examined. Finally, the focus will be narrowed to look at the bank's lending policy towards individual customers, using the board minute books and branch memo books which, although far from comprehensive, provide a glimpse of its rural clientele mid-century.

Balance sheet data and information relating to the internal operation of institutions were regarded by many contemporaries as essentially private in nature. Indeed, the idea of the public disclosure of balance sheets was anathema for many bankers. The *Report* of the 1836 *Select Committee on Joint Stock Banks* complained that, in response to the circulation of a statement for completion issued to the joint-stock banks, 'an objection was at first raised on the part of some few of these Establishments against furnishing the information required...'[2] Moreover, evidence supplied to the committee shows that opinion on the publication of accounts was mixed. The committee had been appointed to investigate the operation of the Bank Charter Act of 1833 with a view to recommending ways in which it might be altered. Amongst other things, the *Report* pointed out that 'The Law does not provide for any publication of the liabilities and assets of these Banks, nor does it enforce the communication of any balance sheet to the proprietors at large'.[3] The implication was that the resultant information

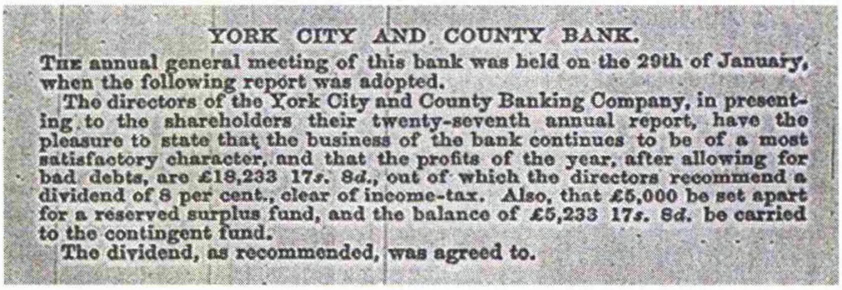
[1] After paying expenses and deducting bad debts a surplus of £477 19s 4d was carried to the Reserved Surplus Fund. No dividend was awarded to shareholders for the first year. AGM, *DMB* (Y1), 24 February 1831.

[2] *B.P.P.*, IX, 1836, *The Establishment of Joint Stock Banks, Select Committee Report.*

[3] *Ibid.*

asymmetry put those with a stake – the shareholders, depositors and the public – at a disadvantage. It was usual, however, for bank directors to make available information relating to the performance of a bank at its AGM.

York City's directors and shareholders met every January at the White Swan Inn in York to approve the report on the preceding year's business and to sanction any changes proposed for the forthcoming year. The same format was adhered to at each meeting. A brief statement of proceedings was presented, detailing branch information, staff appointments and the condition of the local economy. This was followed by a summary of key financial indicators: the amount of paid-up capital; the number of shareholders; the sum of net profit; the dividend value; the amount transferred to the surplus fund and the total value of the surplus fund.[4] This was the extent of information made available for proprietors; detailed records of asset and liability composition were not disclosed. It was not until 1883 that the bank broke with its established custom of not publishing its annual accounts by appending a balance sheet to the annual report. The reasoning for this stemmed from the proposal to increase considerably the capital of the bank in view of its conversion to limited liability status and, as such, it was deemed necessary to make such information available to both shareholders and the public alike. Previously, basic figures alone were furnished; the bank's first publication of its annual returns in the *Bankers' Magazine* in 1857 (below) illustrates this.[5]


YORK CITY AND COUNTY BANK.

The annual general meeting of this bank was held on the 29th of January, when the following report was adopted.

The directors of the York City and County Banking Company, in presenting to the shareholders their twenty-seventh annual report, have the pleasure to state that the business of the bank continues to be of a most satisfactory character, and that the profits of the year, after allowing for bad debts, are £18,233 17*s.* 8*d.*, out of which the directors recommend a dividend of 8 per cent., clear of income-tax. Also, that £5,000 be set apart for a reserved surplus fund, and the balance of £5,233 17*s.* 8*d.* be carried to the contingent fund.

The dividend, as recommended, was agreed to.

Even requests for information from the Bank of England were greeted with some caginess. In 1831, the Bank wrote to York City requesting a copy of the schedule returned to the Stamp Office detailing the names of subscribers, the number of shares taken by each and the amount of capital paid-up. The board replied

[4] The first printed report appeared at the ninth AGM in 1839, *DMB* (Y2), 31 January 1839.

[5] *Bankers' Magazine*, March 1857.

'begging to be informed upon what principle'.[6] Without response, the Bank repeated its request some months later, to which York City declined to give any information, stating that no 'satisfactory reason why these particulars should be required' had been given.[7]

Despite York City's resistance against Bank of England surveillance, details of the bank's shares were disclosed the following year before the *Secret Committee on the Bank of England Charter* (1832). Joseph Dyer, a director of the Bank of Manchester revealed the following:

> York City & County Banking Co, est. in 1830, in 5,000 shares of £100 each, upon which £5 per share has been called up, making a cash capital of £25,000. Has one branch.[8]

On perusing his evidence, York City's directors were 'astonished' not least because it was incorrect, creating an 'erroneous impression' of the bank. As they pointed out in a strongly worded letter to Dyer, the paid-up capital had actually totalled £50,000 from its inception almost one and a half years prior to that time, double the sum stated. Therefore, they told him, 'we must express our very great surprise that you should gratuitously have furnished the committee with a statement relative to this company's affairs when you were so totally ignorant of the facts as they really existed'.[9] Clearly, the only thing worse than being forced to reveal sensitive information was to have an outsider incorrectly do it.

To understand the structure of the bank and the way its management conducted business, resort must be made to its balance sheets. Compiled from annual reports and private ledgers, the balance sheet details the sums borrowed by the bank from customers and shareholders (its liabilities) and the way it then employed, or lent, these funds (its assets). Implicit in this is the concept of the bank as an intermediary. As Pressnell notes in his study of country banking, 'the term

[6] *DMB* (Y1), 28 March 1831.

[7] *DMB* (Y1), 15 August 1831.

[8] *B.P.P.*, 1832, *Report from the Committee of Secrecy on the Bank of England Charter*, evidence of Joseph C. Dyer, James Burt and John B. Smith, q.4258.

[9] *DMB* (Y2), 29 October 1832.

"banker" was used loosely to describe anyone dealing in money' when actually 'it was only by the extension of his own credit that the issuer of money really became a banker'.[10] The banker's primary function, therefore, was (and is) to connect lenders and borrowers. The balance sheet records these flows, giving a broad indication of the bank's asset/liability structure.

Work has been undertaken on bank business by Michael Collins, who used the balance sheets of a variety of English banks for the period 1840-80 to compute key asset and liability ratios. These revealed trends in the way business (especially that of the joint-stock banks) was conducted prior to 1880.[11] His findings for English banking generally during the mid-nineteenth century will be used to put York City's business activity in context. The bank's liability structure will be examined first, followed by a discussion of the scale and distribution of its assets.

Broadly speaking, the bank borrowed its 'trading capital' from two principal sources: its shareholders and the public, forming what contemporary writer J. W. Gilbart described as 'the invested capital and the banking capital'.[12] York City's 'banking capital' (its liability to the public) consisted of notes issued and deposits received.

Note Issue

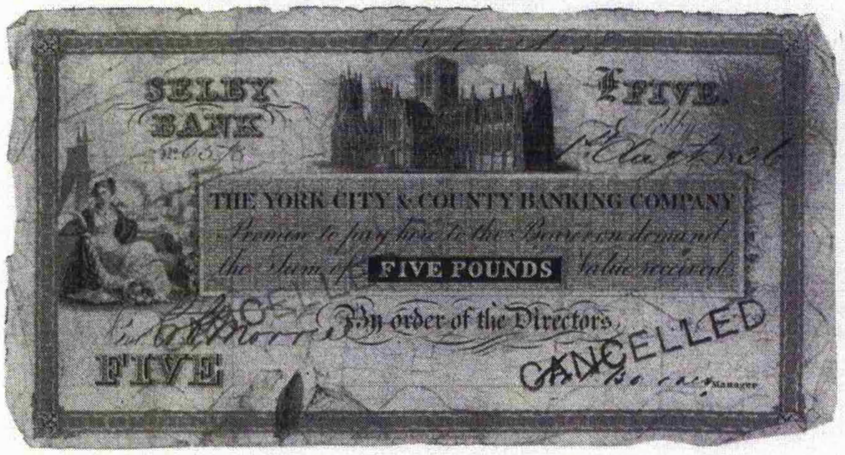
Note circulation was considered an important component of bank business for many private and joint-stock bankers in the provinces, and a right they vigorously defended when threatened with restriction. Evidence before the 1831-2 *Secret Committee on the Charter of the Bank of England* on the subject of note issue underlined, in particular, the importance that country bankers, in both agricultural and manufacturing districts, attached to their right to circulate their own notes. Of

[10] L. S. Pressnell, *Country Banking in the Industrial Revolution*, (1956), p.137, 138.

[11] See: Michael Collins, 'The business of banking: English bank balance sheets, 1840-80', *Business History*, Vol. XXVI, No. 1, (March, 1984). This study uses data from 38 English banks including: London and provincial private and joint-stock banks. Joint-stock banks, however, dominate the sample.

[12] J. W. Gilbart, *The History, Principles and Practice of Banking. Vol.1*, (1882.), p.127.

the 114 joint-stock banks established between 1826 and 1836, York City was one of 93 banks of issue.[13]



Bank note, Selby branch, York City & County Bank (1836)

The issue of notes allowed banks to 'borrow' from customers; profit was made by getting customers to hold notes equivalent to the value lent to the bank. As notes were essentially a 'promise to pay', the customer could demand, at any time, their conversion into coin or (from 1833) legal tender Bank of England notes. Implicit in this is the notion of trust; customers would only accept notes if they trusted the bank's promise to pay. The crisis of 1825-6 had sorely tested that trust when bank notes were presented *en masse*. To prevent a 'run' on the banks at Malton (East Yorkshire) a public meeting was called to lend support to locally issued notes. The following announcement was made:

> *Malton Banks.* In consequence of the present unsettled state of the public mind in respect to the circulation of Country Bankers Notes, We, the undersigned Malton Traders and Inhabitants of New Malton and its vicinity, do hereby declare that we have the highest confidence in the stability and integrity of the gentlemen composing the above firms and in

[13] Appendix 21 to the Report of the Select Committee on the Bank Acts, 1857, as quoted by Pressnell, *Country Banking in the Industrial Revolution*, p.159.

> confirmation thereof we further declare that we do and shall continue to take their notes as usual. 17th December 1825.[14]

Country bankers tended to issue notes, therefore, within their locality where their name was known and respected. Indeed, in some instances, it was reported that the act of note-issue often enhanced a bank's standing, creating further business in turn. For example, Vincent Stuckey, a banker in Somersetshire, told the Parliamentary enquiry of 1831-2 that 'a great part of the credit of [Stuckey's Banking Co.] has arisen from having had a circulation which has been regularly paid for the last half century' meaning that 'the farmers are in the habit of taking our notes...and coming to the Bank to transact their other business.' It was further pointed out that privately issued notes increased a bank's ability to supply credit by providing an alternative means of payment. As Stuckey commented on banking provision in rural areas: 'I do not think that those banks who do not issue their own paper, in general, afford that accommodation to an Agricultural district, that Banks do who issue their own notes'.[15] It was not just agricultural bankers who stressed the importance of note-issue. Charles Foster, a banker at Walsall, was clearly disappointed by the attitude of bankers in his neighbourhood who had chosen to accept Bank of England notes in favour of their own circulation. By ceasing to be a bank of circulation, '...we would sink in the scale of commercial importance' he warned, since without a circulation, a banker '...degrades into a bill broker...'[16]

For others, note issue was less important. William Beckett, a private banker of Leeds, stated that their circulation formed only '...a subordinate part of business...', being used '...merely to supply wages and the wants of...customers that come to [the bank] for ordinary expenses.'[17] In fact, it is true to say that note-issue played a secondary role in most bankers' businesses and, from the 1830s, one

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[14] Maberly Phillips, *A History of Banks, Bankers and Banking in Northumberland, Durham and North Yorkshire*, (1894), p.199.

[15] *B.P.P.*, VI, 1831-2, *Bank of England, Secret Committee Report, Minutes of Evidence, etc.*, evidence of Vincent Stuckey, q.1181.

[16] *Ibid.*, evidence of Charles Smith Foster, banker at Walsall, qq.1498-1503. Foster noted that it was a growing tendency for other local banks to accept and circulate Bank of England notes: 'Most of the country banks, in consequence of some advantages they receive from the Bank of England, are inclined to fall in with it; very few retain their own circulation'.

[17] *Ibid.*, evidence of William Beckett, private banker at Leeds, q.1282.

of increasingly dwindling importance. When asked to state the proportion which circulation bore to deposits for their respective banks, Beckett (of Leeds) deemed it to be 'not one-fourth'[18] while Foster (of Walsall) supposed it to be 'one-sixth' although he pointed out that 'the circulation is entitled to a large relative proportion than its mere numerical amount'[19] reiterating the point that the issue of notes '...mainly assists and increased the operations which proceed from the deposits'.[20] The comparative figure for York City during the period 1830-9 shows that notes issued accounted for, on average, just under one-fifth of its total liabilities to the public. Although significantly less than the proportion of money held on deposit, it was still ample.

The composition of York City's liabilities to the public for the period 1830-70 are given, as decadal averages, in table 3.1:

Table 3.1 Liabilities to the public, York City & County Bank (1830-1870 averages)

Period	York City bank notes in circulation (£)	York City bank deposits (current accounts + deposit accounts) (£)	Bank notes as a % of public liabilities
1830-9	80,078	340,860	19.0
1840-9	89,100	661,600	11.9
1850-9	89,900	969,300	8.5
1860-9	89,299	1,127,088	7.3

What is immediately apparent is the declining proportion of total public liabilities that bank notes accounted for. By the 1860s, note circulation represented only around seven per cent of the bank's public borrowing – a significantly smaller percentage than in the 1830s. When compared to Collins' figure for the national average, however, the proportion of notes issued by York City remained relatively high. Collins found that notes issued by commercial banks in England and Wales

[18] *Ibid.*

[19] *Ibid.,* Charles Foster, q.1558.

[20] *Ibid.,* q.1560.

during the latter half of the 1840s accounted for, on average, only 6.3 per cent of public liabilities, a figure that shrunk to 4.4 per cent during the 1850s and 2.4 per cent in the 1860s.[21] The relative importance of York City's note circulation may well have been due to the bank's agricultural location. Despite note-issues' industrial roots, research by Pressnell shows that during the second quarter of the nineteenth century 'the private note became increasingly a feature of the agricultural rather than of the industrial areas'.[22] A glance at the geographical distribution of note-issuing licences for 1822 shows a significant cluster of note-issuing banks in Yorkshire suggesting that the practice of holding notes was a habit to which those in the locality were accustomed.[23] Indeed, as early as 1793, nine private banks were operating in the North Riding of Yorkshire, each a bank of issue.[24]

Conversely, private note-issue was virtually unheard of in other parts of the country. In Lancashire, for example, bills of exchange and bank drafts formed the bulk of circulation[25] with Bank of England notes being accepted in favour of local issues. In fact, Bank of England notes tended to be more readily circulated in industrial areas where the Bank initially opened branches. Bank of England notes were not generally welcomed in the provinces, however. One of the greatest 'evils' to emerge from the proceedings of 1826, wrote Henry Burgess, was the 'recommendation [given] to the Governor and Deputy-Governor of the Bank [of England] to establish Branch Banks, for the purpose of acquiring, eventually, the

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[21] Collins, 'The business of banking: English bank balance sheets, 1840-80', p.45.

[22] Pressnell, *Country Banking in the Industrial Revolution*, p.148.

[23] In May 1822, 56 note-issuing licences were granted in Yorkshire – the most for one county. Licences issued in Devon numbered 34; in Kent, 31; followed by 28 in Somerset; 25 in Gloucester and 24 in Hampshire.

[24] Phillips, *History of Banks, Bankers & Banking*, p.57. The banks listed are: Bell, Woodall & Co (Scarborough); Hayes, Leatham, Hodgson, Walker & Lister (Malton, Whitby and Scarborough); Thomas Pearson (Whitby); Sanders and Sons (Whitby); Simpson, Chapman & Co (Whitby); Clarke, Richardson and Hodgson (Whitby); Pease & Co (Whitby and Malton); Scott & Co (Thirsk); and Peirse, Consett & Co (Northallerton). In fact, Bell, Woodall & Co, bankers at Scarborough from 1788, began to issue notes at once 'which appear to have been freely accepted' given their circulation amounted to £20,300 a year later (p.196).

[25] T. S. Ashton, 'The bill of exchange and private banks in Lancashire, 1790-1830', *Economic History Review*, (1945), 15, nos. 1&2, pp.25-35.

absolute control of the currency'.[26] Of the twelve Bank of England branches opened between 1826 and 1834, two were established in Yorkshire: one in the West Riding at Leeds, and one at Hull, although Burgess was quick to point out that the latter was not a popular choice with local people. 'They (Bank of England branches) were not desired by the people' he reported, and 'we are not aware of a single public expression of a desire to have them established'. On the contrary, he continued, '...the inhabitants, in some populous towns, presented memorials to the Governor and Company of the Bank of England against the measure. This was the case in Hull; and the delay that took place, in carrying the scheme into execution, induced us to believe that the design had, in regard to Hull, been abandoned.'[27]

The encroachment of the Bank of England into the provinces was something York City's directors were equally uneasy about. Initially, they had approached the Bank to enquire whether it would act as York City's London agent; Thomas Barstow travelled to London in January 1830 to meet with the Governor to discuss a possible arrangement. Upon his return, however, 'it was not judged desirable for the committee to avail itself of the terms of the Bank' since 'they had for their basis the circulation by [York City] of the Notes of the Bank of England'.[28] Dissatisfied with this unacceptable proviso, the committee subsequently made Barnetts, Hoares & Co. the company's London agents.[29]

The country bankers' disquiet over restriction of their note-issue, and the wider threat to their interests this implied, proved in the long run not to be unfounded. As table 3.1 clearly shows, York City's note-issue formed an increasingly diminishing proportion of total public liabilities, a tendency that was reflected at a national level. In fact, as Clapham critically pointed out, 'with every decade the bank note became less and less important...and was used for only an infitesimal fraction of the total business of the country'.[30]

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[26] *Circular to Bankers*, 30 January 1829.

[27] *Ibid.*

[28] Report of the Committee appointed at the General Meeting (held 7 January 1830), *DMB* (Y1), 19 February 1830.

[29] And Messrs. Perkins & Bacon were nominated to engrave the Company's £5 note.

[30] Quoted in E. Coppieters, *English Bank Note Circulation 1694-1954*, (1955), p.33.

The diminution of bank notes was hastened, in part, by various pieces of legislation passed to restrict their issue. Despite the relatively small proportion of business notes accounted for in the country, many believed that variations in the note circulation of country banks magnified general economic fluctuations. A series of Acts was passed, culminating in Peel's Act of 1844, which banned all new banks from issuing notes and placed a limit on the volume already in circulation.[31] The country bankers made their opposition to the restriction quite clear. A strongly worded letter was sent to Peel in March 1844 from the banks of issue in Yorkshire.[32] They pointed out that interference by Parliament with local issues would adversely affect the accommodation they extended to customers – especially farmers, whose credit requirements altered seasonally. The matter was taken up quite vehemently by Henry Burgess on behalf of the *Circular to Bankers*. He wrote to Peel expressing his dismay at the proposals and the need for country bankers to retain control and flexibility over their issues. Peel's reply intimated that country bankers were over-emphasising the need for varying levels of note issues, writing:

> 'I know I am liable to be told that the issues of these Banks may be much larger, under particular circumstances and at particular periods, than at others; but I have obtained returns, of a confidential nature, from ten of the best conducted banks in the country, - six of them being in agricultural and four in manufacturing districts, and the amount of their variation of issue is much less than might be imagined.'

In response, Burgess argued:

> 'We had in our office yesterday a Country Banker, one of the most important of the class for his extensive connection with the productive interests of the country, who said "the amount of our circulation varies

[31] 7 & 8 Vict. c.32. 'No bank to issue notes unless issuing the same on 6th May 1844. Issue not to exceed the certified average issue of twelve weeks preceding 27th April 1844. No bank at date of Act consisting of six or less than six persons to issue notes, if partners increased to more than six.'

[32] Letter to Robert Peel from the Banks of Issue In Yorkshire, on the subject of an expected interference by Parliament with their issues of promissory notes, *Supplement to the Circular to Bankers*, March 1844.

eighty per cent in the course of a year". We had another who said, "I do not believe our issue has varied above £1,000 for several years". What [he asked, therefore] does the minister know of the causes of such a remarkable level in one case and of such an unremarkable in the other'.[33]

Despite formidable opposition, the Act was passed. For York City, this meant a cap on the amount of notes it could circulate. The Act specified that its issue was not to exceed the certified average issue of the twelve weeks preceding 27th April 1844. This meant the bank's issue was not permitted to exceed £94,600.

York City & County Banking Co's. average circulation for twelve weeks preceding 24 April 1844[34]

York	22,200
Howden	15,700
Goole	14,700
Selby	12,500
Malton	10,900
Scarborough	6,500
Boroughbridge	4,500
Ripon	2,200
Whitby	5,400
	£ 94,600

For the Bank of England, the Act was 'a victory', for the private note-issuers 'a rebuff' but for joint-stock bankers, like York City, it was 'bad enough' but not entirely detrimental. As Thomas noted, they were forced to 'make the best of a bad job' and to 'console themselves with such solatiums as were available to them'.[35] Indeed, despite the restrictive provisions of the Act, it was met with

[33] *Circular to Bankers*, May 1844.

[34] *DMB* (Y3), 16 August 1844.

[35] S. Evelyn Thomas, *The Rise and Growth of Joint Stock Banking. Volume 1, Britain: to 1860*, (1934), pp.399-403.

seemingly quiet acceptance by York City, the directors stating quite simply at the following AGM that:

> 'A material alteration has taken place in Banks of Issue...restricting all Banks, both private and Joint Stock, in their circulation; which to a certain extent must affect the profits of Banks of Issue'.

It was added, though, that:

> 'the business of this bank, last year, has increased in a most satisfactory manner'.[36]

with shareholders being awarded a healthy dividend of ten per cent.

York City's actual note-issue remained static thereafter at an annual average of around £90,000. However, the *relative* decline in note circulation (shown in table 3.1) was quite marked, resulting from the overwhelming importance gained by deposits during the period. By 1870, over £1.3 million of the public's money had been deposited on account at the bank, representing almost 93 per cent of York City's total public liabilities. These figures reflected the national trend towards deposit banking and, as Collins points out, the Peel Act 'rendered the controls on notes [in England and Wales] largely irrelevant'[37] since it left the bulk of the banks' liability to the public unregulated. In fact, what the Act served to do was accelerate the ascendancy of the bank deposit.

Current and Deposit Accounts

This shift from banks of issue to banks of deposit was described by Walter Bagehot in 1873. According to his observations, bankers circulated notes as an 'introductory function' to prepare the way for the deposit of money. His theory followed that:

> 'When a private person begins to possess a great heap of bank notes, it will soon strike him that he is trusting the banker very much, and that in return

[36] *DMB* (Y3), 16 August 1844.

[37] Michael Collins, *Money and Banking in the UK: A History*, (1988), p.82.

> he is getting nothing. He runs the risk of loss and robbery just as if he were hoarding coin. He would run no more risk by the failure of the bank if he made a deposit there, and he would be free from the risk of keeping the cash'.[38]

The problem was, he claimed, people liked to *see* their money and tended to hoard bank notes, often for long periods of time. Only when 'common sense conquers' do they start to deposit it. From thereon:

> 'The circulation of bank notes decreases and the deposit of money with the banker increases'.[39]

Ultimately, therefore:

> 'The credit of the banker having been efficiently advertised by the note, and accepted by the public, he lives on the credit so gained years after the note issue itself has ceased to be very important to him'.[40]

The acceptance of money on deposit by commercial banks meant that customers had a place of safekeeping for their money, and a form of investment since interest was paid on deposits. Deposits were either left in 'current accounts' from which customers could immediately withdraw money, or 'deposit accounts' on which notice of withdrawal had to be given. In Gilbart's words: deposit accounts were 'chiefly for the use of those who lodge[d] their money in the bank merely for the purpose of security and interest' while current accounts were for 'those who, in addition, to security and interest, wish[ed] to make use of the bank as a means of facilitating their pecuniary transactions'.[41]

It was normal practice for country bankers to pay interest on deposit accounts, although terms and rates differed, while current accounts often attracted no interest at all. Evidence given before the 1831-2 *Secret Committee* shows that no clear-cut

[38] Walter Bagehot, *Lombard Street*, (1873; 1931ed.), pp. 81-6.

[39] *Ibid.*

[40] *Ibid.*

[41] Gilbart, *History, Principles and Practice of Banking*, p.131.

terms governed the acceptance of deposits, and the payment of interest was arbitrary. Somerset banker, Vincent Stuckey, revealed that Stuckey's Banking Co. paid interest on deposit accounts, but not on current accounts. 'We pay interest on deposits to the amount of 20 [pounds]' he explained, but added that interest was not given on deposits which were not to remain in the bank's hands for any definite time since 'a person having an account current may give a check for his balance any day, and of course in that case the banker cannot be expected to give interest'.[42] Furthermore, the rate of interest paid was at Stuckey's discretion: 'we pay on small sums three per cent' he explained, but conversely 'on large sums we do not pay so much'. Moreover, he added, 'we do not always pay the same rate'.[43] On the subject of current accounts, private banker, William Beckett was in broad agreement with Stuckey's practice, paying no interest on 'drawing' accounts, which were subject to variation. In fact, 'if the account varies' he affirmed, 'we charge a commission for the trouble of keeping the entries in the books and calculating the account'.[44]

In keeping with these banks, depositors at York City could expect interest on their money if left on account at the bank. The following terms were laid out in 1830:

1. Depositors to be allowed 2 per cent if money remains 3 months
2. Customers keeping accounts current, to have 2 per cent allowed at the settling such accounts being subject to the ordinary charge of postage and ¼ per cent commission.[45]

However, these rates and terms were subject to frequent change thereafter, partly to reflect prevailing economic conditions and also to ensure York City remained competitive in the face of rival banking companies. Moreover, alteration to the rate of interest paid on deposit varied from branch to branch. For example, in May 1831, the rate of interest on deposits at the Malton branch was raised to 2.5 per cent. Similarly, in February 1850, the bank publicly advertised that rates of

[42] *B.P.P.*, VI, 1831-2, *Bank of England, Secret Committee Report,* evidence of Vincent Stuckey, q.942 and q.967-8.
[43] *Ibid.,* q.944.
[44] *Ibid.*, evidence of William Beckett, q.1272.
[45] *DMB* (Y1), 8 January 1830.

interest on deposit were to be reduced from three per cent to 2.5 per cent. However, when the manager of the Whitby branch pointed out that private bankers in that town would make no alteration to their rates, no change was made at the Whitby branch. The rate was kept at three per cent at Whitby despite rate reductions elsewhere given that 'the other bank (there) continued to allow 3'.[46] Generally speaking, however, it was said that 'country people prefer[ed] a steady average rate'. Explaining to customers that changing conditions on Lombard Street necessitated changes in the country simply 'bothered them exceedingly' observed banker and contemporary writer, George Rae; ' you might as well hope to explain to them the principle of the Integral Calculus, as the mysteries of the exchanges'.[47] This was probably true for the vast majority of small depositors at York City. However, the bank was aware that certain customers actively sought the best rates of return, which was why regular customers, long-term depositors, and those with 'considerable sums' on deposit were often awarded preferential terms and rates.[48]

Deposits formed a significant (and increasing) proportion of York City's public liabilities from 1830. As table 3.1 shows, by the 1860s, deposits accounted for almost 93 per cent of York City's total public liabilities. Without doubt, Peel's Act of 1844 diminished the level of country notes in circulation relative to bank deposits. However, evidence suggests that country deposits were already growing in importance before this date, which makes their omission from regulation by the Bank Charter Act somewhat curious. A number of reasons have been put forward for this.[49] First, notes alone were controlled because their unregulated circulation had traditionally been seen as a source of economic instability. In particular, previous financial crises had hinged on the convertibility of notes and control of their issue was therefore sought. Secondly, it was argued that a cap on note-issues would automatically limit the creation of deposits. This being true, it would follow

[46] *DMB* (Y4) 31 May 1852.

[47] George Rae, *TheCountry Banker*, (1885), pp. 135-6.

[48] See for example *DMB* (Y2), 29 December 1834: 'In special cases the interest on deposits which will continue 12 months in hand, or where the sum is considerable for a shorter period, be advanced to 3 per cent'.

[49] See Douglas K. Adie, 'English Bank Deposits before 1844', *Economic History Review*, (1970), Vol. 23, No. 2, which examines the quantitative importance of English bank deposits prior to Peel's Act.

that deposits would not require any specific form of constraint. Thirdly, since deposit banking was an activity entered into by the general public through personal choice, direct control of deposits was judged unnecessary. It has also been argued that deposits escaped regulation in 1844 because they were 'quantitatively insignificant' compared to bank notes.

Opinion varies as to the quantitative significance of deposits prior to 1844, largely since balance sheets for individual banks are hard to come by for this period. As early as 1828, Birmingham banker, Thomas Attwood estimated the total liabilities of all bankers in England and Wales to equal £200 million, which, although an overstated reckoning, implies that country deposits were certainly sizeable by this date. Others have since argued, on the other hand, that the development of deposit banking did not reach significant proportions until well into the nineteenth century. For example, Von Mises argued that deposit banking did not gain any particular importance until Peel's Act encouraged it,[50] while Feavearyear claimed that deposits were a 'negligible factor in the economic system' prior to 1844 because their use was impeded by the lack of a national cheque-clearing system.[51] It is true that deposit banking was stimulated by restrictions on note-issue and the rise of the cheque. Indeed, the reduction in stamp duty on cheques in 1853 to the standard rate of one penny on each cheque eliminated the regressive effects the previous system had imposed. In short, it made the use of cheques cheaper. Moreover, the following year, the London Clearing House admitted joint-stock banks, and in 1864, the Bank of England joined for payments due to itself.[52] This signalled the consolidation of a formalised money transfer system. The use of cheques drawn on current accounts was encouraged as a result. However, to say, as Von Mises and Feaveryear do, that deposit banking was unimportant before 1844 is to ignore the growth of an important source of bank funds.

Adie's estimate of the notes/deposits ratio for country banks indicates that the level of country deposits exceeded country notes between 1821 and 1844. He also

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[50] Ludwig Von Mises, *The Theory of Money and Credit*, trans. H. E. Batson (1936), p.369.

[51] Albert E. Feavearyear, *The Pound Sterling: A History of English Money*, (1931), pp. 289-90.

[52] L. S. Pressnell, 'Gold reserves, banking reserves, and the Baring crisis of 1890' in C. R. Whittlesey and J. S. G. Wilson (eds.), *Essays in Money and Banking in Honour of R. S. Sayers*, (1968), p.179.

found that the annual percentage rate of increase for country deposits during this period was 'very large'.[53] Although deposits increased dramatically after 1844, it would be misleading to say, therefore, that deposits were economically insignificant before then. Work by Collins on English bank balance sheets supports this idea. He found that, between 1846 and 1850, commercial bank deposits accounted for, on average, 94 per cent of total public liabilities – the equivalent of £94.4 million, a total that rose to £338.8 million by the 1870s.[54] More broadly speaking, deposits accounted for around 57 per cent of the estimated money stock by the late 1840s, rising to 68 per cent by the late 1870s.[55] Furthermore, Collins found that the rise in deposits was largely attributable to the growth in current accounts rather than deposit accounts (i.e. those subject to notice of withdrawal). According to his estimates, the ratio of current accounts to total deposits held by the general public hovered around 64 per cent between 1850 and 1879. Although this figure omits regional variations and is based on different banks for each decade due to the lack of continuous available data, the underlying trend points to the importance of current accounts.

Quite fortuitously, York City's directors recorded current and deposit accounts as separate items in the bank's balance sheet until 1883, allowing an idea of the distribution of deposits at the bank to be gained. The composition of York City's deposit liabilities between 1830 and 1870 are given, as decadal averages, in table 3.2:

[53] Adie, 'English Bank Deposits', p. 292. Between 1821 and 1844 he computed the notes-deposits ratio for country banks to be 0.31, with deposits growing during that period at an annual rate of 4.3 per cent.

[54] Collins, 'The business of banking: English bank balance sheets', p.45.

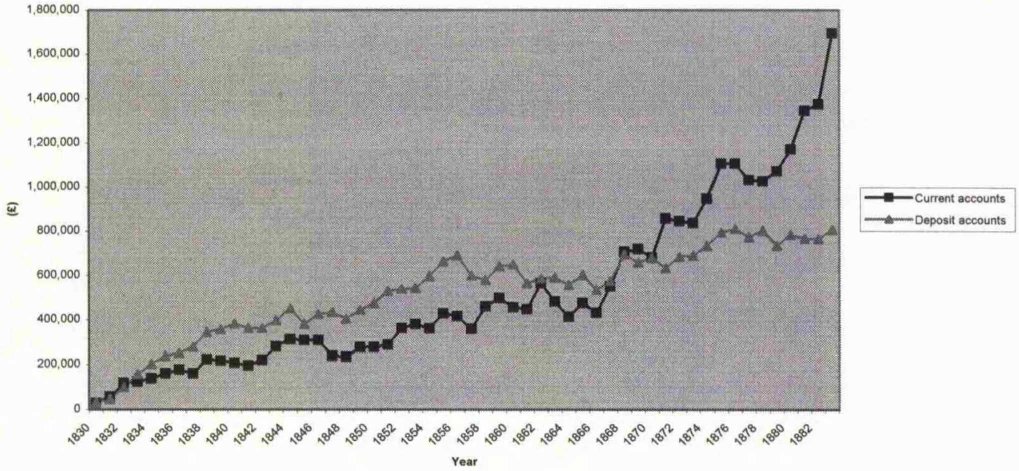
[55] *Ibid.*

Table 3.2 Deposit Liabilities, York City & County Bank (1830-1870 averages)

Period	Current accounts (£)	Deposit accounts (£)	Current accounts as a % of total public deposits
1830-9	140,080	200,780	41.1
1840-9	257,200	404,400	38.9
1850-9	382,600	586,700	39.5
1860-9	524,719	602,368	46.6

As the figures show, the amount of money being lodged in current and deposit accounts at York City was on the rise. From a modest average of £140,000 during the 1830s, the value of current accounts increased almost four-fold during the following forty years. Similarly, the amount of money held in notice accounts tripled over the same period. In relative terms, however, current accounts made up around two-fifths of York City's total public deposits between 1830 and 1870. It was not until the late 1860s that the aggregate amount of money lodged in current accounts became significant compared to deposits. As chart 3.1 shows, current accounts at York City experienced a steep increase from the 1870s. By 1883, the amount held in current accounts formed almost 70 per cent of York City's total public liabilities.

Chart 3.1 Money held in current and deposit accounts, York City & County Bank, 1830-1883



One of the main reasons for the upsurge in current accounts was the increasingly widespread use of cheques as a means of payment. It is generally agreed that cheques did not come into common usage until comparatively late on. However, by the same token, it is unfair to suggest (as Feavearyear et al argue) that the country deposit system was in a backward state prior to 1844. As Dawes and Ward-Perkins' comprehensive compendium of private country bankers in England and Wales shows, each bank was connected to a London agent.[56] Given that each country banker was connected with a London bank, it follows that all the country banks were themselves connected for the purpose of transmitting money. In this way, the framework for a sophisticated interdependent banking system was in place by the early nineteenth century, and the transmission and payment of money by cheque was not uncommon in certain parts of the country by the 1800s.[57] In fact, quite astutely, Gilbart commented in 1865, 'were every man to keep a deposit account at a bank, and make all his payments by cheques, money might be superseded, and cheques become the sole circulating medium'.[58]

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[56] Margaret Dawes and C. N. Ward-Perkins, *Country Banks In England and Wales,* (2000).

[57] For example, in the north-west of England, where note-issues were small, the cheque was not uncommon in 1806. Pressnell, *Country Banking in the Industrial Revolution*, p.167.

[58] Gilbart, *History, Principles and Practice of Banking*, p.134.

Little evidence is supplied about the early use of cheques by York City customers in the bank's minute books. However, the survival of over 450 cheques written by one of the bank's Selby customers, John Adams, between 1836 and 1851 would seem to indicate that local tradesmen were not averse to making regular payments by means of cheque.[59] The series of cheques signed by John Adams were clearly used to pay a variety of different people, principally in the locality, to facilitate his business activities. Handwritten scrawl on the back of the occasional cheque shows that they were used to pay local landowners for the rent of land, to withdraw cash from the current account, to subscribe to the local election fund, and to settle accounts for the purchase of timber and so on, although the company's principal business dealings (in flax, timber and iron) tended to be executed through bills of exchange. Without looking up the name of each payee, it is difficult to guess what the majority of John Adams' cheques were used as payment for. Nevertheless, it is instructive to note that they were written and accepted on a regular basis, suggesting that tradesmen in and around Selby had, by 1836 at least, adopted the use of cheques as a convenient method of payment. However, the precise way in which these cheques operated remains unclear. As Pressnell notes, early cheques tended not to approximate to their modern form:

> '...where the cheque was employed [during the early nineteenth century] it resembled less the modern means of paying debts, by transfer of a claim upon a bank, than the old type of cheque used by eighteenth-century customers of the Bank of England [which was] an order to the banker to pay out money – coin, notes, bills of exchange – to the holder of an account, or to some person named by him.'[60]

It seems fair to say, then, that although deposit banking was an important component of bank business prior to 1844, its operation was still very much in its infancy. At York City particularly, the transmission of money from current accounts by cheque was certainly in the early stages of development from the bank's inception in 1830, but it was not until the 1870s that the widespread use of cheques and current accounts really took off.

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[59] *Cheques and Bills of Exchange, John Adams*, 1836-1851, Acc.882.

[60] Pressnell, *Country Banking in the Industrial Revolution,* p.167.

Proprietors' Capital

The third major component of York City's liabilities between 1830 and 1870 was its capital funds. This represented money invested in the bank by its proprietors. The accumulation of capital was the first step in setting up business. York City's prospectus (1830) laid out the terms relating to the bank's capital stock: the bank's capital was to consist of £500,000 divided into 5,000 shares of £100 each. No individual was allowed to subscribe for more than 100 shares or less than five. At the time of subscribing, each subscriber was required to pay a deposit of ten shillings per share to defray the expenses of the undertaking. Thereafter, each subscriber, on the call of the committee, had to pay £4 10s per cent on the amount of their shares and a further sum of £5 per cent upon signing the Deed of Settlement. It was also pointed out that, if further calls needed to be made, this would happen as and when the directors prescribed although calls would not exceed £5 per cent in any one year. In other words, the bank's nominal capital – the total it had power to issue – totalled £500,000 and investors were required to 'pay up' a proportion.

The amount of paid-up capital indicates how much of the total capital was being used in the business of the bank. Up to 1834, the amount of paid-up capital at York City totalled £50,000. As business grew, so too did the proportion of nominal capital held in paid-up form. In 1835, a further call of £5 per share was made upon shareholders, increasing the bank's paid-up capital to £75,000. This increased in 1841 and again in 1864 when two transfers of £25,000 were made from the surplus fund taking the capital account to £125,000, consisting of 5,000 shares valued at £25 each.

The availability of bank shares created an investment opportunity for local people who sought an alternative to railway stock or insurance company shares. However, despite the relative security they afforded, investment in bank shares was not without risk, particularly as they were subject, initially, to unlimited liability. By purchasing shares, investors, or shareholders, in effect became the co-partners of the business. In the event of liquidation, therefore, the amounts owing to them would not be paid out until last, when all other claims against the bank had been settled. Not only this, but shareholders were also liable for *all* the company's debts which, potentially, meant the payment of a sum over and above the original shareholding. This was explained to interested parties by York City's prospectus in 1830: 'If the Bank shall lose 25 per cent of the capital paid up' it stated, 'the directors shall, within 20 days call a general meeting, and lay a statement of the affairs of the Bank before it, when the company shall be *ipso facto* dissolved.' If, at that stage, any of the shareholders wished to carry on the concern, it added, they were at liberty to do so 'after paying the dissients the value (properly estimated) of their shares'.[61]

Nevertheless, despite the newness of the concern and the risks thereby associated, York City was inundated with applications for shares. The committee reported that requests had exceeded the number of shares at its disposal by 3,000, meaning that 'many most desirable applications were obliged to be either reduced in number, rejected altogether, or postponed for the consideration of the directors'.[62] In fact, it was decided, in response to the over-subscription, that shareholders were not to possess more than 50 shares, leaving the newly appointed directors to apportion the remainder to the list of claimants. Amongst those rejected were a number of respectable gentlemen; for example, the Vicar of Tadcaster, the Reverend Benjamin Maddock's application was declined owing to there being only a small number of shares left. It is interesting to note, however, that allowing a member of the clergy to become a shareholder (at York City or any other joint-stock bank), would have rendered the concern illegal – a little known fact amongst the banking community and, it would seem, the ecclesiastical one. This ruling stemmed from an Act passed in 1817, which 'prohibited all persons having or holding any office in the church from engaging in any trade for gain or profit'.[63] This meant that a banking company with a clergyman amongst its shareholders could not legally recover any of its debts and, furthermore, the whole of its capital was liable to surrender as penalty. As Thomas discovered in his study of joint-stock banks, 'apparently most banks were unaware of the enactment' and it was

[61] Propsectus, York City & County Banking Co., *DMB* (Y1), 1830.

[62] Report of the Committee appointed at General Meeting (of 7 Jan 1830), *DMB* (Y1), 19 Feb 1830.

[63] 57 Geo. III, c. 99. See Thomas, *Joint Stock Banking*, p. 241.

not until the failed Northern & Central Bank tried to take action to recover certain debts that 'the force of the Act [was] brought home to them'.[64]

The transfer of York City's shares, with approval from the directors, was permitted one year after the establishment of the bank. Stock holdings frequently changed hands and it was not long before the Vicar of Tadcaster and a number of other clergymen became investors in the bank.[65]

York City's directors were much more emphatic in their rejection of share applications by individuals who had a vested interest in other banking companies in the locality. In 1834, the directors refused to allow J. Bowman (of Ripon) to transfer his shares to C. Palmer (of York) since the latter was already a shareholder in the York Union Banking Co. and the Yorkshire District Bank – two of York City's keenest local rivals. However, this was a rule only arbitrarily enforced as private letters reveal, for example, that local gentleman James Audus (of Selby) not only held shares in York City but was also a proprietor (and chairman) of the Yorkshire Banking Co. Despite the rules and regulations the directors imposed on the issue and transfer of shares, and the risks inherently involved with an unlimited liability investment, it can be said with certainty that individuals in and around York were clamouring to invest in joint-stock concerns, and that a thriving market for bank shares emerged as a consequence.

Increased protection for shareholders came with a series of company law reforms (1857-62), which allowed banks to register as limited liability companies.[66] The law was consolidated in 1879 with the passing of the Companies Act, which 'eased the transition to limited liability status by permitting bank proprietors to acquire a special form of 'reserved' liability.' There was no immediate rush to attain limited status – it was not until the later years of the century when there was a great increase in the formation of limited liability companies and by the end of the

[64] Thomas, *Joint Stock Banking*, p. 241. The defendant owing money to Northern & Central Bank claimed that as the bank had two clergymen in its ranks, it was not entitled to recover the sum otherwise justly due to it!

[65] *DMB* (Y1), 5 December 1831. William Gossip transferred 5 shares to the Reverend Benjamin Maddock (Vicar of Tadcaster).

[66] An Act passed in 1856 enabled any seven men to start a joint-stock company with limited liability – banks were excluded until 1858, and insurance companies until 1862.

nineteenth century (with the exception of retail trade) joint-stock companies had become the standard business type. York City adopted a 'wait and see' attitude in the first instance to limited liability. Realising that limiting the liability of shareholders was meeting with approval generally by the public, the directors chose to register the bank as a limited company in 1883.[67]

York City's capital funds included the amount of paid-up capital and also the reserve or 'contingent' fund which housed undistributed profits. Table 3.3 shows the ratio of proprietors' capital to total liabilities and public liabilities at York City between 1830 and 1870.

Table 3.3 Proprietors' capital, York City & County Bank (1830-1870 averages)

Period	Ratio of proprietors' capital to total liabilities (%)	Ratio of proprietors' capital to public liabilities (%)
1830-9	11.5	14.2
1840-9	10.5	13.0
1850-9	8.1	9.4
1860-9	8.3	9.4

What is immediately obvious is that capital formed only a small proportion of the bank's total resources. During the 1830s, for example, proprietors' capital accounted for just over a tenth of York City's total liabilities. By the 1860s, this figure had diminished to around eight per cent. This suggests that, despite the importance of capital as a contingency fund, by and large the bank was using *public* resources to facilitate business. In short, they were borrowing and lending other people's money, not the company's. In this way, York City was operating like a modern commercial bank or, in Bagehot's words, like a 'proper banker's business'. Joint-stock banks, he explained, are those in which 'the capital is used not to work the business but to guarantee the business'. A banker's proper business, therefore, 'does not begin while he is using his own money; it

[67] See chapter 11 for an overview of York City's conversion to limited liability status.

commences when he begins to use the capital of others'.[68] As Collins confirms, this was very much the trend for early joint-stock banks. He found that, like York City, by the middle of the nineteenth century, banks were already functioning like modern commercial banks in that they were 'predominantly financial intermediaries'.[69] He also found that, on average, the proportion of capital funds held by his sample of banks was slightly higher. According to his estimates, between 1840 and 1880, the ratio of proprietors' capital to total liabilities fluctuated between one quarter and one sixth. Variation between banks was not unusual, however. Work on bank capital during the late nineteenth century has shown that London banks tended to operate on a smaller capital base (typically between 12-14 per cent) while country banks usually maintained a capital ratio of around 20 per cent. Nevertheless, despite regional variations, the unmistakeable trend evident from Collins' figures, and York City's balance sheet is that, increasingly, the bulk of resources being used by banks as a whole was coming from the public. This suggests that, as the banking system became more stable, increased public confidence meant that capital ratios could gradually be allowed to diminish. Indeed, as Collins points out, by the 1920s, the London Clearing Banks were operating at an average capital ratio of just six per cent.[70]

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[68] Bagehot, *Lombard Street*, p.230.

[69] Collins, 'The business of banking: English bank balance sheets', p.47.

[70] *Ibid.*, p.49. See also, Collins, *Money and Banking in the UK: A History*, pp.101-3.

CHAPTER 4

BANK BUSINESS: THE DISTRIBUTION OF ASSETS

Examination of the liabilities side of York City's balance sheet has shown that its business, as a lender, originated from two main sources: its shareholders and the public. The assets side of the balance sheet displays how the bank employed those funds entrusted to it. Broadly speaking, the bank's assets fell into a number of different categories, each with varying degrees of liquidity. Part was kept in cash form to meet the day-to-day needs of the business. The rest, however, was lent out to customers (in the form of loans, overdrafts and bills) or invested outside the bank (for example, in government securities, railway stock and foreign loans). What follows is an examination of where York City was placing funds, and how its use of these investment outlets changed over time.

'Cash' and Money at Call

The most liquid of any banker's assets was the cash or 'till money', held to meet customers' day-to-day requirements. Those with money held on current account, especially, were entitled to have their deposits repaid on demand. Given the increasing popularity of current accounts, this meant that banks had to keep a certain proportion of their assets in a reasonably liquid form. If there was a sudden demand for cash, particularly during times of financial panic, the banker had to be ready to meet all claims if he was to retain confidence in his institution; failure to do would be 'commercial death'.[1]

During the early days of joint-stock banking, it was usual for those overseeing the business of the bank to have some kind of understanding with principal clients regarding current accounts to guard against volatile behaviour. However, as banker George Rae pointed out 'there are those who, either from perversity or want of thought, omit this simple act of courtesy, and will check upon you at times for large sums without a moment's notice'.[2] For this reason, therefore, bankers were 'oblige[d] to keep an abnormal amount of cash lying idle in their coffers, to meet

[1] George Rae, *The Country Banker*, (1885), p.127.

[2] *Ibid.*, p.126.

their abrupt and uncertain movements'.[3] Despite Rae's exasperated tone, his comments underline a number of interesting, yet important, issues. The first is the lack of understanding Rae (as a banker) credited his ordinary customers with. In terms of deposits and runs, his biggest lament was that there was always a 'certain class' of customer who, despite their apparent intellect, would not hesitate in joining a 'run' by erratically withdrawing large sums during a period of financial pressure. 'You might as well seek to reason with a savage on the war path' he claimed, 'as with a depositor "on the run"'.[4] More pointedly, Rae revealed that (in his experience) there were still a great many people who, despite adopting the banking habit, did not fully appreciate how the system worked.

> 'There are people without number, who have to realize the simple fact that banks, if they are to pay interest at all on moneys deposited with them, must re-lend the greater proportion of such moneys at interest to other people. In spite of School Boards and the march of intellect, there are those who harbour the delusion to this day, that the money which they deposit in a bank – the identical notes and coin – are straightaway placed in impregnable cash vaults, there to remain until the owners want the notes and coins out again; as if money thus disposed of would fructify of itself and yield perennial fruits of increase.'[5]

As a country banker, Rae's comments are telling, not least because they show that despite the rapid growth of joint-stock banking in the provinces, the middle-class being drawn into the system lacked the financial savvy of their city counterparts who had long understood the intermediary role played by the banker in the utilisation of financial resources.

Nevertheless, the occurrence of 'runs' was synonymous with the development of English provincial banking during the nineteenth century, and this raises a second, more fundamental, issue relating to profitability and, ultimately, business survival. By the very nature of their business, banks' managements were faced with a trade-off between profitability and liquidity. On the one hand, banks sought to buy

[3] *Ibid.*

[4] *Ibid.*, p.128.

[5] *Ibid.*, pp.127-8.

assets with the highest yield. This usually meant tying up money for long periods of time in order to get the best rate of interest. On the other hand, however, banks were obliged to pay customers cash on demand. This meant keeping back a certain proportion of money in cash form, which earned no interest at all. The banker's dilemma, therefore, was deciding how much till money was required to keep the concern liquid without compromising profitability. If too little cash was kept, the business risked losing public confidence if it failed to meet customer demands. If an overly cautious amount was kept back, the bank risked poor profit margins and the wrath of its shareholders. Specifying the cash reserve, therefore, was clearly a finely balanced exercise.

Quite logically, it might be assumed that, as the banking system grew in stability, the amount of money held in reserve would drop. However, research shows quite the opposite. Work by Collins on the average cash ratios held by commercial banks during the mid-nineteenth century suggests that English banks were placing an increasing emphasis on liquidity, particularly from the 1860s. The cash ratio maintained at York City over the same period is shown in table 4.1.

Table 4.1 Bank liquidity ('coins and bills'), York City & County Bank (1830-1870 averages)

Period	Average 'coins and bills'	Average public liabilities	Liquid assets (coins and bills) as a % of public liabilities
1830-9	79,320	420,938	18.8
1840-9	92,400	750,700	12.3
1850-9	170,344	1,059,200	16.1
1860-9	250,600	1,216,387	20.6

Although no discernible trend is evident, the findings show that the proportion of the bank's assets most readily convertible into cash stayed (on average) at between fifteen per cent and 20 per cent of public liabilities. It should be pointed out, however, that this is not a perfect measure of bank liquidity and, as such, the figures must be treated with care. Prior to 1870, there was no such thing as a typical bank balance sheet. As Sayers commented, 'if we look into a banker's business of a hundred years ago and expect to find parallel conventions we shall be disappointed: there were no established fashions, much less rules, about the size of liquid reserves, and the bankers' investments had a residual nature that allowed diversity of practice infinitely greater than would be thought proper today.' Consequently, he concluded 'the only safe generalization to be made about the balance sheets of early banking is that no generalization is possible'.[6] The categorisation of liabilities and assets, and the level of detail given about individual items, varied from bank to bank. Between 1830 and 1883 York City listed its assets under the following headings: cash and investments; advances on current accounts; loans; coins and bills; and premises. Other banks, on the other hand, categorised their balance sheet items differently. For example, the Sheffield & Hallamshire Banking Co. listed only two items on its assets side prior to 1870: 'cash in the bank, bills discounted, balances owing by customers, and other securities' and 'bank premises and furniture'.[7] Comparison, therefore, is hampered by a lack of standardisation. Moreover, given the ambiguous titles given to certain categories of item in York City's balance sheet, it is difficult to ascertain what type of assets are being described, and how they are being grouped. This was not uncommon as Nishimura found: 'many banks did not distinguish between advances and investment in securities' and, he confirmed, 'while some banks, mostly in Yorkshire, lumped cash and bills discounted in the same item'.[8] The latter was true of York City and, for this reason, attempts at measuring the bank's liquidity remain subject to flaws.

The cash ratios expressed in table 4.1 use 'coins and bills' as an approximation of the most liquid of York City's assets since cash alone can not be separated out. This makes for an imperfect measure since bills were not immediately convertible. However, they did form an important part of the banks' short-term, self-liquidating, assets and, for this reason, they were grouped with 'coins'.

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[6] R. S. Sayers, *Lloyds Bank in the History of English Banking*, (1957), pp.176-7.

[7] Shizuya Nishimura, *The Decline of Inland Bills of Exchange in the London Money Market 1855-1913*, (1971), pp.59-60.

[8] *Ibid.*, p.60.

There was a second, more ambiguous, category of asset given in York City's balance sheet which might also be classed as reasonably liquid: 'cash and investments'. This acted as a kind of reserve fund, which the bank drew upon during times of pressure. The 'cash' element was presumably similar to 'coin' insomuch as it was an entirely liquid asset, kept back to meet day-to-day needs and unforeseen contingencies. The composition and liquidity of the 'investments' component, however, is less clear. When the directors reported a surplus of cash, they usually looked to invest it in parcels of bills and government securities, along with railway stock and foreign loans. Therefore, the 'investments' category was probably used to cover all such assets (excluding bills). The ease with which they could rapidly be converted into cash, however, is difficult to estimate. Evidence suggests that, at this time, bankers saw British Government securities – especially Consols – as part of the liquid reserve. As Collins confirms, 'there was no danger of default by the British government and as a ready market for Consols had long existed, they seemed ideal securities for a bank to hold'.[9] If this was true, the 'cash and investments' category may have been viewed by York City's directors as a relatively liquid asset and, in which case, the bank's liquidity ratio would have been much higher than the figures in table 4.1 suggest.

If 'coins and bills' and 'cash and investments' are taken to represent York City's most liquid assets, the bank's liquidity ratios expressed, as decadal averages, would have been as follows:

[9] Michael Collins, *Money and Banking in the UK: A History*, (1988).p.113.

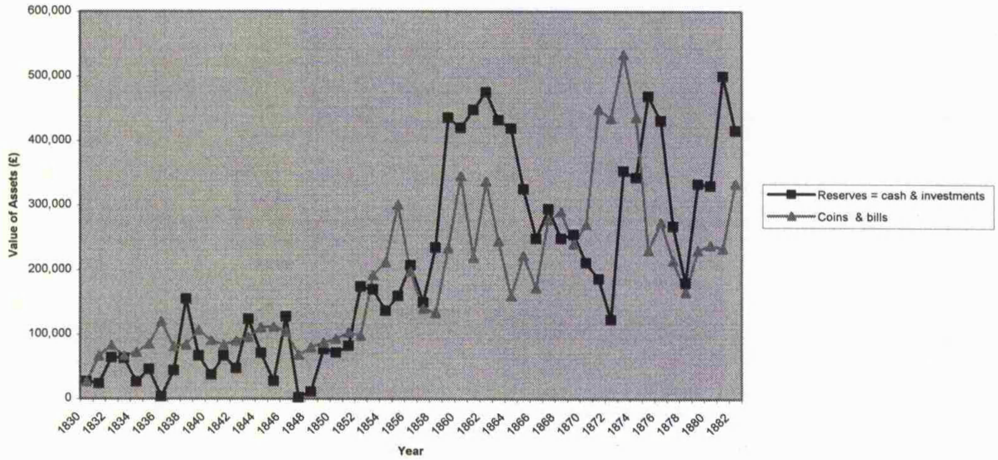
Table 4.2 Bank liquidity ('coins and bills' plus 'cash and investments'), York City & County Bank (1830-1870 averages)

Period	Average 'coins and bills' plus 'cash and investments'	Average public liabilities	Liquid assets (coins and bills) as a % of public liabilities
1830-9	131,140	420,938	31.1
1840-9	151,470	750,700	20.2
1850-9	352,470	1,059,200	33.3
1860-9	606,900	1,216,387	50.0

By broadening the definition of the bank's liquidity reserve, table 4.2 shows that its liquid assets accounted for, on average, one-third of public liabilities between 1830 and 1870 suggesting that, in times of crisis, the bank had a substantial reserve it could draw upon at fairly short notice. However, this conclusion is, of course, dependent on what the bank's management viewed as 'liquid', which, by contemporary standards, may have been altogether different.

Despite the difficulties of separating out a true measure of bank liquidity, and the ambiguous cash ratios computed as a result, it is important to note that the average estimates given in both table 4.1 and 4.2 mask sharp rises and falls in the value of liquid assets during individual years which were mirrored in both the amount of money kept in coin and bill form, and that held as cash and investments.

Chart 4.1 Liquid assets (coins, cash, bills & investments), York City & County Bank, 1830-1882



As chart 4.1 shows, both categories of asset exhibited a similar pattern and trend over the long term. Until the mid-1850s, the value of coins and bills remained relatively stable, while the bank's reserves fluctuated frequently in comparison. Sharp drops in the bank's reserves coincided with downturns in the nation's economic prosperity (for example during 1836 and 1847) suggesting that, at times of financial pressure, York City drew upon its 'cash and investments' assets rather than 'coins and bills' to meet customer demand. From the mid-1850s, the bank began to hold greater cash holdings in absolute terms (shown by chart 4.1) and relative to public liabilities (shown by tables 4.1 and 4.2) suggesting an increasingly conservative attitude was being taken towards the liquidity of the firm. In particular, cash holdings increased dramatically following the 1857 financial crisis, the collapse of London discount house, Overends, in 1866, and later in 1878 following the tumultuous failure of the City of Glasgow Bank. In each instance, York City's cash reserves were significantly depleted, only to be fortified more rigorously thereafter. It would seem, therefore, that the impact of crises on the banking system periodically reminded bankers that there was no leeway for complacency. As Collins found, at a national level, towards the end of the nineteenth century the cash ratio maintained among the commercial banks increased after each economic downturn. This suggests that policy was being formulated on the basis of past experience as bankers became increasingly aware that larger cash reserves underpinned the stability of the system.

'Seasons of pressure' were part and parcel of the ongoing business of any financial institution. However, as Gilbart pointed out in his *Practical Treatise on Banking* (1865), when economic indicators – such as periods of speculation or the failure of a number of merchants or traders – pointed towards a potential increase in demand for money, the banker could prepare for approaching events by 'avoiding all discounts of bills of an inferior class' and, most importantly, 'keeping his funds in an *available state*'.[10] In his experience, as pressure built up on the money market, bankers were faced with three main demands on their funds. Firstly, customers often withdrew their money to find higher interest-bearing investments elsewhere. Second, during periods of difficulty, customers tended to borrow more in order to meet their day-to-day requirements, meaning bankers were called upon for loans and discounts, not just from those who were often forced to borrow, but from wealthier sections of society also. And, finally, customer demands during unsettled times could be unpredictable, forcing the banker to keep more till money to meet unforeseen contingencies. Gilbart's comments are interesting because he demonstrates that bankers were under pressure to maintain confidence at all times and, if the banking system was to remain stable, the profession as a whole had to be ready for periodical 'seasons of pressure' when money scarcity was a very real problem.

Despite Gilbart's sound advice, just one year after his *Treatise* was published, the collapse of Overends led to an acute liquidity shortage across the banking system. The crisis of 1866 proved pivotal in the way banks organised their front-line defences. Thereafter, cash reserves across the system were reinforced as bank managers erred on the side of caution by choosing to 'forego the interest on money at call and to keep the reserve as cash instead'.[11] The outcome of the bankers' dilemma, therefore, was, in some ways predetermined thereafter.

Bills of Exchange

After coin and bank notes, and money at call and short notice – the most liquid types of asset – bills discounted were often seen as a bank's 'third line of

[10] J. W. Gilbart, *A Practical Treatise on Banking, Vol.I*, (1865)., p.87-8.

[11] Michael Collins, 'The Business of Banking: English Bank Balance Sheets, 1840-80', *Business History*, 26, 1, (1984), p.51.

defence'.[12] The bill of exchange can be traced back to classical times and, as such, is said to be 'one of the oldest instruments of credit in the world'.[13] By the start of the nineteenth century, their use was commonplace in domestic trade and in some parts of the country even formed the overriding medium of circulation. The bill of exchange was, in its crudest form, essentially a form of 'IOU' whereby a supplier granted credit to a purchaser. In practice, however, its operation was a little more complex. In King's words: 'the bill of exchange [was] something more than an acknowledgement of a debt'.[14] A series of bills (1835-1851) belonging to Selby tradesman, John Adams, have survived among the York City Bank's effects.[15] Selected examples will be used to explain how the bill of exchange worked and why it was considered one of the bank's more liquid assets.

A bill of exchange would, typically, have taken the following form:

Bill of Exchange

Due 14 July 1840

Hull 11 January 1840 £329.4.10

Six months after date pay to our order three hundred and twenty nine pounds, four shillings and ten pence **for value received** in flax.

John Adams & Sons, Selby

Christopher Bolton & Son

Payable in London

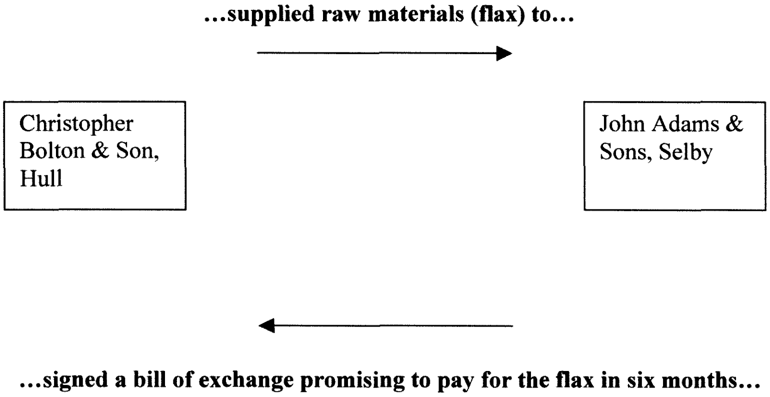
This example shows that John Adams & Sons (of Selby) purchased a quantity of flax from Christopher Bolton & Son (of Hull) for £329 4s 10d. The terms of the bill gave Adams & Sons six months to settle their debt.

[12] S. Evelyn Thomas, *Banker and Customer*, (1928), p.32.

[13] Gilletts, *The Bill on London*, (1964), p.15.

[14] W. T. C. King, *History of the London Discount Market*, (1936), p.xv; xvi.

[15] See appendix 4.1 which details these bills in full.



- The bill was drawn up by the seller, naming the creditor (Christopher Bolton & Son) and the debtor (John Adams & Sons) along with the amount owed (£329 4s 10d) and the place and date of payment (Hull, 14 July 1840).

- The buyer (Adams & Sons) accepted the bill by signing it, and returning it to Bolton & Son in Hull, agreeing to pay for the goods supplied.

- Bolton & Son thereby granted credit to Adams & Sons, holding the bill of exchange as legal proof of the debt.

- Adams & Sons received their consignment of flax straight away, but were not required to pay for it until the bill was due (in six months).

- Bolton & Son could then wait to collect the cash from Adams & Sons when the bill fell due, or sell ('discount') it to obtain the cash owing to them immediately. If this happened Adams & Sons would simply owe the money to the new owner of the bill when it became due.

The core function of the bill, therefore, was 'to enable the seller or exporter of goods to obtain cash as soon as possible after the despatch of the goods, and yet enable the buyer or importer to defer payment until the goods reach him, or later'.[16]

Bills could change hands a number of times before they were presented for payment. Ownership of a bill could be transferred providing the holder endorsed it (by signing their name on the back) which then entitled the new owner to the money when the bill matured. The bill of exchange drawn up by Bolton & Son was discounted in this way, as the endorsements on the back of the document reveal:

> Christopher Bolton & Son
> Pease & Liddells
> Pritchard & Cornthwaite
> Messrs. Glyn & Co. for the Bank of Liverpool

As this example shows, the bill was sold on by the drawer and was subsequently endorsed by a number of reputable financial institutions, including Pease & Liddells, Pritchard & Cornthwaite, and Glyn & Co for the Bank of Liverpool. The involvement of bankers in the negotiation of the bill meant that banks were

[16] Gilletts, *The Bill on London*, p. 16.

effectively providing credit for the original transaction between Bolton & Son (in Hull) and Adams & Son (in Selby). That is, the seller gave credit to the buyer, but the seller financed the credit by borrowing from banks. Bills were deemed high quality, and therefore saleable, if they were endorsed by firms of high repute. Indeed, as stated in *The Bill on London*, 'two good names on a bill give quality to the bill'. Moreover, 'they lend lustre to each other. Nothing adds so much to the standing of even the greatest firms, as to be seen to enjoy the confidence in each other which is implied by the association of their two names on a bill'.[17] Implicit in this is the notion of confidence, and the way endorsement of a bill by one or more reputable firms underpinned the extension of credit upon a piece of paper until it was presented for payment.

Bill discounting was a popular practice among bankers during the mid-nineteenth century since it formed a means of meeting the short-term credit requirements of merchants and manufacturers who wished to defer payment for raw materials for a number of months. Banks profited from the practice by charging interest (the 'rate of discount') on the transaction. They were then left with a reasonably liquid asset, which was convertible into cash within a relatively short period of time. Typically, therefore, country bankers' asset holdings consisted of bills discounted – be they local customers' bills, or parcels of bills acquired from the bill market.

The first phase of country banking was inextricably linked with the rise in trade in inland bills of exchange. Merchants and industrialists used inland bills almost exclusively for raising credit during the industrial revolution and investment in them by country bankers facilitated the flow of surplus funds to areas where capital was needed. In fact, claims King, 'it is no exaggeration to say that [joint-stock banking] was, for close upon fifty years, the most important single buttress of the original form of the bill market.[18] Bill brokers bought individual bills and added them to their portfolios. Banks then turned to the brokers to buy bills for their own portfolios, with the added assurance of the name of the discount house on the bill as endorser. Bills were supplied by brokers as parcels, which were made up of a variety of paper in order to spread the risk factor more evenly. 'Great care is taken in making up such parcels' confirmed discount house, Gilletts. 'Their variety',

[17] *Ibid.*, p.23.

[18] King, *History of the London Discount Market*, p.39.

they rightly point out, 'gives them added strength and attraction as investments for the Bank's liquid funds'.[19]

The mutual interdependence of banker and bill broker stemmed from the continued parochialism of country banking, even after 1825. Despite the potential for increased business capacity a large proprietorship conferred on the new joint-stock organisations, banks of this period remained, essentially, local in outlook. Unlike their private counterparts, however, who relied on note-issue as the basis for business, joint-stock banks were, first and foremost, banks of deposit. From the outset they sought to attract depositors, both from existing customers of private banks and from the pool of people who had not yet adopted the banking habit, by attaching generous rates of interest to money left in their care. Competition at this time was fierce as the directors of York City confirmed at the bank's Annual General Meeting in 1837: 'the concerns of the establishment are satisfactory' they reported, 'although they have had increased disadvantages to contend with from the establishment of other banking companies both at home and at their branches'.[20] This meant that banks had to offer high rates of interest on deposits to entice placements. As a result, banks then had to employ a significant proportion of those resources in order to realise some kind of return. Resort was, therefore, made to the bill brokers. Bills of exchange were a popular means by which bankers employed their surplus funds. The reason for this, as King points out, was that '...to a banker whose business was so conducted that his assets had to be realizable at an hour's notice on any day in the year; Government securities were far from appropriate: bills were the only possible securities'.[21] A shrewdly assembled bill portfolio ensured a regular turnover of bills, with money falling due each day. This meant a ready supply of cash was at hand.

Furthermore, given that country bankers were forced to tie up large sums of money, which could be called upon without notice, bill brokers became

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[19] *Ibid.*, p.57.

[20] Report of the seventh AGM, DMB (Y2), 26 January 1837. See also the reports of the fifth (1835) and sixth (1836) AGMs of York City & County Banking Co. where the directors reiterate their acute awareness of the need to remain competitive in the face of ever-increasing rivalry from newly-formed institutions in the locality.

[21] King, *History of the London Discount Market*, pp.40-1.

increasingly relied upon to rediscount bills of exchange. This was a practice formerly carried out by private bankers although the re-sale of bills was not generally deemed good banking practice and seen, therefore, 'to be undertaken only in times of stringency, or at special seasons of the year'.[22] Indeed, as early as 1832, the propensity to rediscount by the joint-stock banks was picked up on as a potential weakness in the system. 'We do not consider [rediscounting] to be the act of a banker of first-rate character and conduct, by any means' stated Samuel Jones Loyd before the *Select Committee* that year. For many of the new joint-stock banks, however, rediscounting became an intrinsic and routine part of day-to-day business. According to King's research 'the more intense the fight for deposits, the greater became the demand for rediscount facilities'.[23] Where this was the case, the system was clearly open to abuse, which was why the private bankers before them had by and large shunned the habit. For each bill resold, the banker was contingently liable. As competition intensified for depositors' money, rates of interest remained generous. To prevent profit margins being squeezed, bills were rapidly sold on enabling the banker to further increase his local discounts. However, it followed that 'on such occasions he was not always over-particular about the quality of the paper which his clients tendered, so long as he knew that his endorsement would make it acceptable to the London bill broker'.[24] As Gilbart noted as early as 1865, this type of abuse of the rediscount principle 'gave vitality to dead loans'.[25] Moreover, despite championing the cause of joint-stock banks, he had to confess that 'joint stock banks have carried on this practice to a much greater extent than it was ever carried on by the private bankers' and this, he explained, 'has arisen from the greater credit which they possess: it is one of the forms of the abuse of credit'.[26]

Given the dual role played by bills of exchange, both as a medium of exchange for trading credit, and as a desirable liquid asset for banks to hold, it is interesting to see whether, in fact, there was a relationship between bills of exchange and bank liabilities. Work by Collins on the long-term growth of the English banking sector

[22] *Ibid.*, p.40.

[23] *Ibid.*

[24] *Ibid.*

[25] Gilbart, *Practical Treatise on Banking*, p.34.

[26] *Ibid.*, pp.34-5.

and money stock during the mid-nineteenth century reveals a 'startling degree of parallelism' between the two variables until the early 1870s, pointing towards a strong mutual relationship with national economic performance over the period.[27] A similar comparison, using data from York City's balance sheets over the same period exhibits the same type of trend:

Chart 4.2 Bills of exchange and deposit accounts, York City & County Bank, 1830-1883

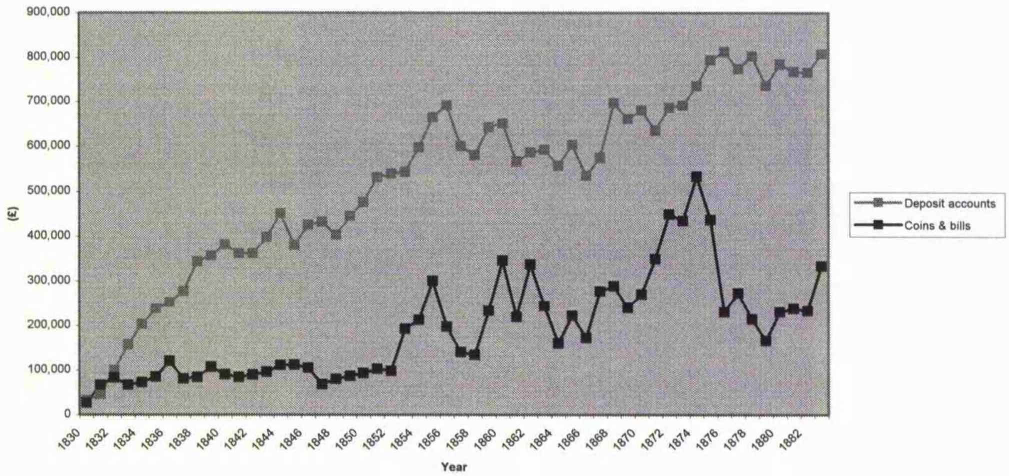

Chart 4.2 shows the volume of bills held by York City compared with the bank's deposit liabilities. Despite forming only a rudimentary comparison, the graph reveals a distinct correspondence between the two variables from the mid-1850s until the 1870s, thus lending weight to King's assertion that the fight for deposits went hand in hand with an increased demand for bill discount (and rediscount) facilities. What is not discernable from these data, however, is the proportion of York City's bill holdings accounted for by rediscounts.

Despite the bad press given to the process, rediscounting was being carried out on an appreciable scale by the joint-stock banks, and in a judicious manner by a good many reputable firms – York City included. In fact, the rediscounting of bills of exchange played an important economic function in that it facilitated the flow of

[27] Michael Collins, 'Long-term Growth of the English Banking Sector and Money Stock, 1844-80', *Economic History Review*, (1983), Vol.36, No.3, pp.383-5.

funds accumulated by a fragmented and largely localised banking system around the country. Banks in areas where money was abundant and, therefore, difficult to invest locally, adopted rediscounting as a way of sending surplus funds to areas where money was needed. Surplus funds tended to be a feature of rural areas where the demand for loans was small. Banks, therefore, bought bills from manufacturing areas where funds could readily be employed, in order to house their excess deposits profitably. Gilbart's observations underline this trend:

> 'Banks situated in agricultural districts have usually more money than they can employ. Independently of the paid-up capital of the bank, the sums raised by circulation and deposits are usually more than the amount of their loans and discounts. Banks, on the other hand, that are situated in manufacturing districts, can usually employ more money than they can raise. Hence, the bank that has a superabundance of money sends it to London, to be employed by the bill-brokers, usually receiving, in return, bills of exchange. The bank that wants money sends its bills of exchange to London to be re-discounted. These banks thus supply each other's wants through the medium of the London bill-brokers'.[28]

Indeed, the process of bill discounting, and rediscounting, was an important way in which York City's management employed the bank's surplus funds. Money was lent to customers in the form of loans and overdrafts, but demand in and around York, particularly from the 1850s, was insufficient to ensure full utilisation of resources was made. Extracts from the report of the bank's 21st Annual General Meeting (January, 1851) emphasise this fact:

> 'The redundancy of money, during the past year, has caused considerable difficulty in finding safe and proper investment for the capital of the establishment'.[29]

Resort was, therefore, made to the discount market. However, unlike other provincial banks which used the London money market, exclusively, as an outlet for bill discounting, York City also applied directly to other banks for bills of

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[28] *Ibid.*, p.34.

[29] AGM, *DMB* (Y4), 30 January 1851.

exchange. For example, during the first year of business, parcels of bills totalling £10,000 were taken from Overend, Gurney & Co. (London) and Manchester & Liverpool District Bank. From around 1852 to 1880 regular purchases of bills were made, ranging from £10,000 to £20,000 per parcel, from other banks and, from 1855, increasingly London discount houses.[30] In effect, therefore, by taking bill parcels directly from other banks, York City was bypassing the London money market. This was quite unusual as evidence before the 1836 *Select Committee on Joint Stock Banks* suggests. When asked whether his bank rediscounted bills, Paul Moon James, manager of Birmingham Banking Co. replied in the affirmative 'so far as it regards the Bank of England...they undertake to furnish all our needful circulation with their own notes, and to take bill of exchange, at a certain rate of interest, in payment for that circulations; of consequence there is a certain amount of bills always under discount.' When further questioned whether the bank rediscounted by means other than the Bank of England, he stated: 'in a very limited manner', adding 'we have connexion with country bankers, who furnish us with their surplus cash, and take in return our bills'. However, he concluded, 'the Bank of England holds nearly four-fifths of the total amount of bills re-discounted', indicating that, for Birmingham Banking Co. at least, London played an important role in facilitating the flow of credit.[31]

Black takes up this point in his study of the London agency system in English banking between 1780 and 1825. He found that, in a variety of cases, the circulation of means of payment and short-term paper credit, both within and between regions during the first quarter of the nineteenth century relied on the financial expertise of the London money market.[32] In particular, his examination of the bill discounting activity of private bank, Peacock, Handley, Kirton & Co. of Sleaford (Lincolnshire), showed that bills from industrial areas were sent to London where they were redistributed to areas having surplus funds:

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[30] See appendix 4.2 for a complete record of York City's bill discounting activity between 1830 and 1870. Information extracted from the *Directors' Minute Books* (Y1-Y7).

[31] *B.P.P.*, IX, 1836, *The Establishment of Joint Stock Banks, Select Committee Report,* evidence of Paul Moon James, Manager of Birmingham Banking Co., qq.779-780.

[32] Iain S Black, 'The London Agency System in English Banking, 1780-1825', *London Journal*, 21 (2), 1996, p.127.

> 'The inter-regional transfer of bills for discount...relied on the services of the London agency system and the bill brokers. Bill drawn outside the local area generally came from industrialising regions often 'capital hungry'. Attempts at local discounting in such regions could therefore be difficult and, in consequence, country banks there would frequently send bills to the London bill market for re-discount. Bill brokers and London agents placed such bills with banks having surplus funds for short-term investment'.[33]

In short, he found that London acted as the distributive centre of credit by facilitating the flow of funds between regions distant from each other. 'The prime skills of the London money market' he notes 'were those of financial intermediation, and it was the ability to match regional variations in the demand for, and supply of, money and credit, that enabled the London money market to play a key role in the circulation of short-term paper credit in industrial England'.[34]

Despite the importance of the London money market, York City frequently bypassed the metropolis in favour of dealing directly with other banks. Bills were principally taken from banks located in manufacturing and industrial districts; amongst others, recourse was frequently made to Liverpool Union Bank, Northumberland & Durham District Bank and Leeds Banking Co. Investment opportunities were actively sought in these areas and in 1838, the general manager, Robert Barnes, was specifically sent to Manchester and Liverpool to 'ascertain the practicability of making investments in bills of exchange'.[35] By the 1850s and 1860s, bill parcels were being taken on a weekly basis, with the bank's management continuing to take a pro-active approach to bill buying as the following examples show:[36]

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[33] *Ibid.*, p.123.

[34] *Ibid.*

[35] *DMB* (Y2), 16 April 1838.

[36] Examples taken from *DMB* (Y5), 14 July 1856; 3 October 1859; 19 December 1859.

14 Jul 1856	'£20,000 to be taken in bills from the most advantageous place.'
3 Oct 1859	'£20,000 or £30,000 to be taken from Leeds Banking Co. or Liverpool Union Bank.'
19 Dec 1859	'£20,000 to be taken from Leeds Banking Co. or elsewhere.'

Between 1839 and 1868, large parcels of bills were regularly taken from Liverpool Union Bank. From 1853 to around 1857-1858, bills were taken from Liverpool by York City on a weekly basis. The Liverpool banks given their 'preponderantly industrial connections'[37] were the largest rediscounters during this period and banks with surplus funds, like York City, were in effect sending short-term capital, via bills of exchange, to these types of areas to finance commercial activity. However, as Black notes of Liverpool bank, Leyland, Bullins & Co., although 'the re-discounting of bills of exchange drawn locally was a central part of the Liverpool bank's growing business...the bulk of these bills would have passed through the London money market, to reach parties in other areas of the country having surplus funds for investment'.[38] Again, this reiterates the point that, although bills were a means of distributing surplus funds around the country, it was usual for this process to be undertaken via London, not directly with Liverpool and other places as York City was pursuing.

Despite York City's novel way of circumventing London, at least up to the middle of the century, King notes: 'it was during the period of localized joint stock banking, extending roughly from about 1830 until the 'sixties or 'seventies, that the bill market as an agent for the *domestic* distribution of credit reached its highest point...'[39] and in this way a great deal of credit was mobilised mid-century by the process of rediscounting.

Despite the use of the bill market as an investment outlet, the volume of money advanced by York City through this channel was, proportionately, significantly

[37] King, *History of the London Discount Market*, p.271.

[38] *Ibid.*

[39] *Ibid.*, p.41.

less than the national average. Table 4.3 shows the percentage York City's bill holdings accounted for, on average, when compared to total advances (loans and overdrafts).

Table 4.3 Ratio of bills to total advances (loans and overdrafts), York City & County Bank (1830-1870 averages)

Period	Ratio of bills* to total advances (overdrafts and loans) (1830-70 averages) (%)
1830-9	21.0
1840-9	12.2
1850-9	20.2
1860-9	26.0

*Note that bills were classified with coins in York City's balance sheets. Since the two items cannot be separated out, it should be assumed that bills accounted for a slightly smaller proportion than the figures suggest.

Between 1830 and 1870, loans and overdrafts remained more important, in terms of value, than bills discounted. As table 4.3 shows, over the period, bills accounted for, on average, just a fifth of money advanced. This is somewhat at odds with the national picture at this time. According to Collins' estimates, 'bills were as important as total advances (loans and overdrafts) during the 1840s and 1860s, and equivalent to 86 per cent of advances during the 1850s.' He further found that 'it was only during the 1870s that advances came to dominate and bill holdings to decline noticeably'.[40] This suggests that York City was not discounting on the scale of other banks. Indeed, during the 1840s, only twelve per cent, on average, of total advances was being ploughed into bills. This, of course, was due to the unprecedented railway mania which gripped the country during the late 'thirties, and early 'forties, when railway building projects opened up investment opportunities for even the most rural of bankers. In particular, York's importance as a railway town provided investment outlets peculiar to its location – something that banks in the locality, York City included, were able to capitalise on. In the years preceding the crash of 1847, companies such as: Great North of

[40] Collins, 'The business of banking: English bank balance sheets, p.53.

England, Sunderland & Durham, and York & North Midland, provided ample opportunity locally for York City and others to place funds at their disposal. However by the 1850s and early 1860s, York City's ratio of bills to advances mirrored the national trend, with bills enjoying something of a revival among bank assets.[41]

The process of rediscounting among provincial firms declined after losses sustained during the crises of 1857 and 1866. In fact, there was a noticeable shift away from direct rediscounting after 1857 by York City. This was due, in all likelihood, to the failure that year of the Northumberland & Durham District Bank, one of their main bill suppliers. York City had been regularly rediscounting bills for the Newcastle Bank since 1851. The last parcel, worth £20,000, was taken in July 1857 – some four months before the firm closed its doors. The bank failed for a substantial amount and it was said that: 'by the misery and distress it caused [it] eclipsed all previous bank failures in the North of England'.[42] An undue amount of the bank's capital was tied up in ironworks and collieries, and an advance of almost £1,000,000 had been made against inadequate security to the Derwent Iron Co. Furthermore, the bank had been rediscounting bills on a sizeable scale – not just with York City – but also at the local branch of the Bank of England for large amounts. By November 1857, matters had become so entangled that a director of the Bank of England was sent to Newcastle to investigate the situation on the spot. He concluded that the securities held by the Northumberland bank were 'of the most extraordinary nature for any bank to hold that he ever saw'.[43] Throughout the year, unease amongst customers had been spreading across the north east and, although no immediate panic was initiated, depositors were still keen to withdraw their money. A story was related to contemporary writer, Maberly Phillips, who recounted the tale in his book on banking in the north east: 'One man drew some seven or eight hundred pounds in sovereigns; he had no bag, and of course the bank would not give one, so he took the money in his hat. When on the doorstep,

[41] Collins found that during the 1850s, his sample group of banks experienced a rise in bills and stagnation in advances from 1857; this higher ratio of bills to advances continued to be evident during the early 1860s. See: Collins, 'The business of banking: English bank balance sheets, p.53.

[42] Phillips, *History of Banks, Bankers and Banking*, p.116.

[43] *B.P.P.*, V, 1857-8, *Bank Acts and Commercial Distress, Select Committee Report, Minutes of Evidence, etc.*, evidence of Kirkman Daniel Hodgson, Director, Bank of England, qq.3577-80.

the crown came out, and he had the greatest difficulty to save his treasure'.[44] By mid-November, it was reported that the London agents of the bank were refusing to honour their drafts, and on the 26th of that month, a notice was pinned to the door announcing the bank's demise.

Having discounted bills for the bank up until its collapse, York City was inexorably drawn into the subsequent liquidation process. A representative of the Northumberland & Durham Bank – Mr Mackreth – attended a meeting of York City's directors regarding overdue bills held by the bank in January 1858. The board stated to Mackreth that the bills in question had to be returned forthwith, or satisfactory security to given for them until returned within a specified time period. York City's solicitors also gave notice of Bankruptcy to the Consett & Derwent Iron Co. for the bills they had dishonoured.[45] The liquidation of the Northumberland Bank was a protracted affair, and there was no mention in York City's board minutes of a satisfactory resolution, either by the Bank or the Derwent Iron Co.

The iron company had, up until this point, acted as an economic lynchpin in the district. Its operations extended to coal mining, coking, iron making and iron finishing and it was, consequently, the sole support for a population of 30,000. Given the multiplier effect the company had effected across the region, and the subsequent dependency the local economy had on its survival, a rescue package was devised to prevent its stoppage. It was reported in *The Times* in August 1858 that:

> 'The proposed arrangement for the purchase of the Derwent Iron Company's works by a body of the shareholders of the Northumberland & Durham District Bank has been sanctioned. They are to subscribe £960,000 and as this will enable the iron company to discharge its debt to the Bank, and thus probably cause 20s in the pound to be realized for its

[44] Phillips, *History of Banks, Bankers and Banking*, p.341.

[45] *DMB* (Y5), 11 January 1858; 18 January 1858.

customers, the parties to the plan are to be exonerated from liability as shareholders in that concern'.[46]

The reorganisation of the company in 1858 was not successful but a second reconstruction gave rise to a company, which began to trade in 1864 as the Consett Iron Co. Ltd.[47] The winding-up of the Northumberland Bank had no such happy ending, however. Ultimately, mismanagement underpinned its collapse and it was reported in the aftermath that – along with the Borough Bank of Liverpool and the Western Bank of Scotland which also ceased business that year – they had 'contributed more than any others to the commercial disaster and discredit of 1857'.[48]

Despite the collapse of a number of banks in 1857, and the knock-on effect this had on the system as a whole, most were able to press on with business, with many reporting satisfactory end of year results. No mention of the calamitous year was made at York City's AGM in 1858, it merely being reported that 'the business continues to be of a very satisfactory character'.[49] In fact the resistance joint-stock banks displayed to the 1857 crisis was seen as a positive indication of the way they were being run. The conduct of the banks, wrote the *Bankers' Magazine* in 1858, has 'completely disproved the imputations so freely cast against them, last December, of having, by discounting harshly and indiscriminately in order to maintain the high rate of interest they were allowing upon customers' deposits, encouraged a system of unsound trade and jeopardised themselves'. Moreover, it concluded, '[the banks] have established beyond a doubt that, while they have liberally supplied accommodation which the legitimate operations of commerce demanded, their management has even in the most exciting times been remarkable

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[46] *The Times*, Friday 6 August 1858, p.7, col.b. According to an article entitled 'The Works of the Consett Iron Company, Limited' published in the *Journal of the Iron & Steel Institute*, (1893) the new company formed by the shareholders was registered as the Derwent & Consett Iron Company, Limited. However, the company found themselves unable to complete the purchase as they had projected and within two years the property was put up for sale again.

[47] For a comprehensive history of Consett Iron, see: Kenneth Warren, *Consett Iron 1840-1980*, (1990).

[48] *Report*, 1858, Sect 53 quoted in S. E. Thomas *The Rise and Growth of Joint Stock Banking. Volume 1, Britain: to 1860*, (1934). p.544.

[49] *DMB* (Y5), 28 January 1858.

for that wise discretion and sound judgement which are the only real securities either to shareholders or the public'.[50]

In terms of bill rediscounting, however, there was a distinct shift away from the practice after 1857. Part of the reason for this stemmed from the losses sustained by provincial banks that had received a timely reminder to remain discerning about the quality of paper they dealt in. The Bank of England also sought to discourage the practice by restricting its loan facilities to the discount houses in 1858.[51] Nevertheless, bill discounting demonstrated something of a resurgence during the late 'fifties and early 'sixties due, in large, to the development and integration of the London Discount Market. The rapid growth in the volume of bills coupled with an increased public demand for investments gave rise to discount *companies*. The first joint-stock discount house to be formed was the National Discount Company Ltd in 1856, followed some months later by the London Discount Co. Ltd. Despite the adverse climate in which they were formed, their balance sheets revealed profitable returns, and by 1859, the *Bankers' Magazine* was led to comment: 'the discount companies are absorbing a considerable amount of the business that previously found its way to the private bankers and private firms. Even some of the large provincial banks now make them depositories of funds, which used to be employed in other channels'.[52] Certainly, by the 1860s, York City had gradually begun to use the London discount houses more frequently to buy bills as appendix 4.2 shows. However, from the early 1860s – with the exception of Liverpool Union Bank, which continued to rediscount with York City up until 1868 – most of the bank's bill discounting was being undertaken through private houses such as Overend, Gurney & Co., Brightwen & Co. and Gilletts.

From the mid-1860s, the bill of exchange began to undergo something of a decline. The popularity of bills received a severe knock in 1866, with the tremendous crash of the respected firm Overend, Gurney & Co. There followed a frenzied panic, with 'scenes in Lombard Street unknown since 1825'.[53] The effect, claimed the *Bankers'* Magazine, was 'as the shock of an earthquake. It is impossible to

[50] *Bankers' Magazine*, Half Yearly Joint Stock Bank Meetings, August 1858.

[51] Michael Collins, 'The business of banking: English bank balance sheets', p.52.

[52] *Bankers Magazine*, 1859.

[53] King, *History of the London Discount Market*, p.243.

describe the terror and anxiety which took possession of men's minds for the remainder of that and the whole of the succeeding day. No man felt safe. A run immediately commenced on all the banks, the magnitude of which can hardly be conceived'.[54] As with the collapse of the Northumberland & Durham Bank in 1857, York City's fortunes were, again, inextricably bound up with Overends, the latter holding money from the York Bank at the time of its failure. There is no mention in the bank's records of how much was left on deposit with Overends. However, it is interesting to note that Liverpool Union Bank were advised by their London agents, Barnett Hoares – whose services York City also employed – that 'with many of our country friends we have arranged, whenever their balances exceed a stipulated amount, to hand the surplus over to Messrs. Overend & Co'. This was also reported to be the case with London agents, Glyns.[55] In fact, given Overends standing as the 'Corner House', it is safe to say that most banks would have kept a balance there. A representative of Overends wrote to York City in the June regarding their deposit account. The reply by York City's management intimates that terms were being negotiated for the repayment of the debt:[56]

City & County Bank
York 4th June 1866

Sir

With reference to the circular letter of the 2nd Inst. on the subject of our claim as Depositors in Overend, Gurney & Co, I beg to say that we shall, in case the company should resume business, be prepared in respect of our Deposit to consent in the course proposed to us involving payment of our claim by instalments and the postponement thereof, if necessary, for periods of one, two and three years respectively.

Edward Smallwood

Henry Kingscote
Overend, Gurney & Co Ltd
Birchin Lane, London E6

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[54] *Bankers Magazine*, 1866, quoted in King, *History of the London Discount Market*, p.243.

[55] Sayers, *Lloyds*, p.182.

[56] *DMB* (Y6), 4 June 1866.

Bill discounting by York City reached its zenith during the late 1850s and early 1860s. After 1866, however, the practice fell off somewhat, and by the 1870s bill parcels tended to be smaller in value, and chased after with less vigour. This was also the case at a national level as Nishimura's study of the bill market concludes:

> '...bills sent to London for re-discount seem to have decreased after the 1866 crisis and probably this practice came to an end in the latter half of the seventies.'.[57]

Despite the 1866 crisis, Nishimura argues that the inland bill was already in a state of prolonged decline. In particular, he cites the rise in popularity of the overdraft as an alternative means of supplying short-term credit. [58]

Overdrafts and Loans

Overdrafts and loans formed the largest category of asset held by York City & County Bank between 1830 and 1870, and consisted of all advances made to customers, excluding discounted bills of exchange. As such, this group embodied a number of different types of loans ranging from medium- and long-term lending, to the provision of short-term overdraft facilities. In short, 'here was the bread-and-butter business of every banker'[59] – the principal way in which the credit requirements of the local community were met, especially following the decline of the inland bill after 1870.

The ability of any bank to lend money derived from three main sources: its proprietors, who supplied the initial capital; the public through the circulation of notes and deposit of money; and the money market which provided overdraft facilities during times of pressure. However, as Pressnell comments: 'the emphasis upon the capital and personal property of a banker, as direct contributions to his firm's resources, was a distortion of the real task of banking: the provision of credit and the lending out of other people's money'.[60] As it has

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[57] Nishimura, *Decline of Inland Bills,* p.48.

[58] *Ibid.*, pp.55-64.

[59] Collins, *Banking in the UK: A History*, p.111.

[60] L. S. Pressnell, *Country Banking in the Industrial Revolution*, (1956), p.237.

already been shown (see table 3.3), proprietors' capital accounted for only a small, and indeed diminishing, proportion of York City's total liabilities between 1830 and 1870, indicating that, by and large, the bank was using the *public's* resources to conduct business. Given that York City's management employed its public liabilities first and foremost, it is interesting to see what proportion of the public's money was being lent out in the form of loans and overdrafts.

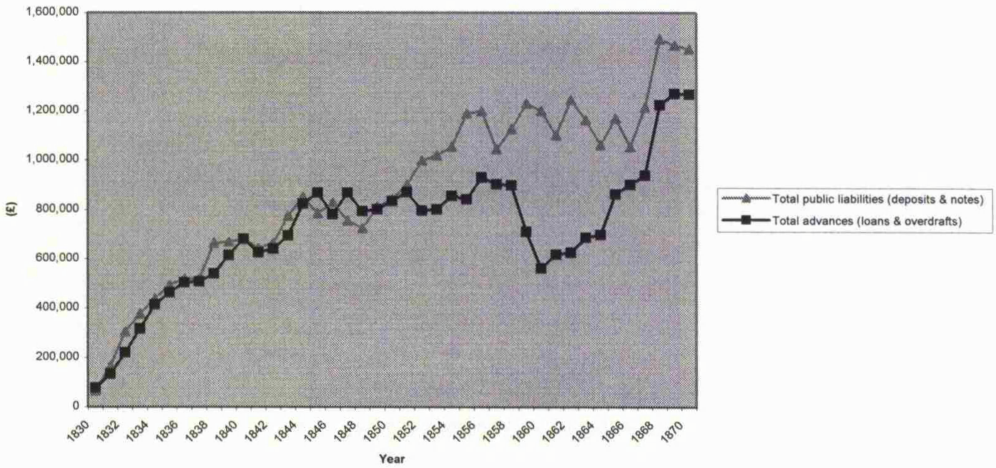
Table 4.4 shows York City's total advances (loans and overdrafts) expressed as a proportion of the bank's total public liabilities (notes and deposits) as decadal averages between 1830 and 1870:

Table 4.4 Total advances (loans and overdrafts) as a percentage of total public liabilities (notes and deposits), York City & County Bank (1830-1870 averages)

Period	Total public liabilities (notes and deposits)	Total advances (loans and overdrafts)	Total advances as a percentage of total public liabilities (%)
1830-9	420,938	377,890	89.8
1840-9	750,700	756,500	100.8
1850-9	1,059,200	842,800	79.6
1860-9	1,216,387	837,816	68.9

The information contained in table 4.4 is supplemented by a graphical representation of York City's total advances and public liabilities in chart 4.3, which compares the two variables, year by year, over the same period:

Chart 4.3 Total public liabilities and total advances, York City & County Bank, 1830-1870



A number of interesting observations can immediately be made. Firstly, between 1830 and around 1850, the bank was utilizing, on average, 95 per cent of its public borrowing. This implies that, over the first two decades of business at least, York City had no problem finding parties to lend to. In fact a number of respectable customers were declined accommodation without explanation during this period. The only years during which the bank was not operating at full capacity were the late 'thirties as extracts from the report of bank's ninth AGM (January 1839) testify:

> '…a satisfactory statement of the affairs of the Bank notwithstanding [the directors] have had great difficulty in profitably employing the capital entrusted to their management, in consequence of the very great abundance of money during the greatest portion of the year'.[61]

By the mid- to late 1840s, however, this trend was turned on its head. As table 4.4 shows, the amount of money being lent out on average during the 1840s exceeded the bank's public resources. Indeed, this is confirmed by chart 4.3, which reveals that York City was in fact overlent during 1845, and between 1847 and 1848. In 1847 alone, total advances stood at the equivalent of 115 per cent of public

[61] AGM, *DMB* (Y2) 31 January 1839.

liabilities. The reason for this was undoubtedly tied up with bank's involvement in the region's unfurling rail network, and the growth of York as a railway centre. York City was instrumental in the finance of local railway schemes but, by the same token, when mania for railway speculation crashed in 1847, they found themselves casualties of the crisis.[62]

The impact of the 1847 crisis was far-reaching for all involved in railway finance, and it forced lenders – York City included – to reassess their attitude towards lending. As chart 4.3 shows, from the early 1850s, York City stopped employing such a large proportion of its public resources in loans and overdrafts. Instead, funds were increasingly diverted into the discount market as the bank began to focus on bill buying to ensure a profitable home for its accumulation of deposits. The reason for this was driven by both supply and demand factors. During the crisis, York City, along with the Yorkshire Banking Co. and York Union Bank, had been forced to draw heavily on outside resources to obtain liquid funds. As a result, a more cautious approach was adopted by the bank's management in relation to lending. Short-term bills took preference over long-term loans, ensuring the bank had more self-liquidating assets at hand in the event of another crisis. Moreover, despite the increasingly prudent stance taken by the bank's management in the area of lending, the opportunity for such remained scant anyway. As appendix 5.1 shows, from around 1852, money on loan was principally left at interest with the newly amalgamated railway companies, and assorted London stockbrokers. In contrast to the bank's pre-1850 history, very few loans of any note were made locally, suggesting that demand simply did not exist.

Broadly speaking, advances fell into two categories: loans and overdrafts. Loans tended to be sanctioned for a fixed period, whereas overdrafts were more of a 'fluctuating loan' advanced on current account. Table 4.5 shows the composition of York City's total advances by comparing the ratio of loans to overdrafts as decadal averages between 1830 and 1870.

[62] See chapter 5 for a full discussion of York City & County Bank's involvement in railway finance between 1830 and 1870.

Table 4.5 Ratio of loans to overdrafts, York City & County Bank (1830-1870 averages)

Period	Total advances (loans and overdrafts)	Ratio of loans to overdrafts (%)
1830-9	377,890	42.9
1840-9	756,500	17.1
1850-9	842,800	33.5
1860-9	964,516	30.9

What this shows is that, despite the huge sums advanced on loan by the bank, advances on current account formed the most significant component of York City's total advances between 1830 and 1870. On average, over the period, overdrafts accounted for two-thirds of the bank's total lending to customers. The amount of money being lodged in current accounts, relative to deposit accounts, was on the rise. By 1883, the amount of money held in current accounts formed almost 70 per cent of York City's total public liabilities, showing, without doubt, that more and more customers were opening current accounts to manage their day-to-day finances. As Nishimura found, compared to bills, where payment had to be effected at the due date under any circumstances, 'the liability in the form of overdrawn accounts with banks is flexible, because repayment can by postponed or accelerated at the debtors' convenience'.[63] In this way, borrowers favoured the increased flexibility an overdraft allowed, and the ability thereby facilitated to make payment by cheque. It followed, therefore, that the rise in usage of the current account was accompanied by a rise in the amount of money advanced on overdraft.

Having examined the scale and distribution of York City's assets, the focus will narrow in the following chapter to investigate the bank's lending policy, in terms of overdrafts and loans.

[63] Nishimura, *Decline of Inland Bills*, p.55.

CHAPTER 5

BANK BUSINESS: THE POLICY TOWARDS ADVANCES

The nature of York City's lending is difficult to assess prior to 1870 in the absence of any surviving systematic list of borrowers. Thus far, the bank's balance sheets have been used to separate out overdrafts and loans to give an idea of the volume and composition of total advances. However, data relating to individual loans are harder to come by. The board's minute books impart a little about specific customers while a miscellanea of extant papers from various branches create a portal through which lending activity can be observed at a branch level.[1] It should be noted, however, that one of the limitations of relying on board minute books for information on lending is that customers tended only to be mentioned at the directors' meetings when their loan requests were substantial, or their repayments on loans already supplied turned bad. The picture presented, therefore, is skewed in favour of large, and therefore atypical, borrowers, and bad debtors. Moreover, little can be added to the perennial question of whether the bankers failed British industry by failing to lend-long, not least because York City's dealings were kept firmly in the predominantly rural North and East Ridings of Yorkshire, at least until the 1870s. In fact, apart from the indirect lending made to firms in industrial areas through rediscounting, there is very little evidence of any direct involvement in manufacturing industry by the bank between 1830 and 1870.[2] Nevertheless, these shortcomings aside, much can be said about York City's lending policies and its customers' borrowing habits between 1830 and 1870.

[1] See appendix 5.1 for a complete list of recorded loans and advances made by York City extracted from the *Directors' Minute Books*, 1830–1870 (Y1-Y7). See also appendix 5.2 for a record of the bank's dealings with individual borrowers. This table principally details loans and overdrafts that have not been repaid, and the actions taken thereafter for recovery of the debt. All information was, again, extracted from York City's board minute books, 1830-1870.

[2] See appendix 5.2 which details a variety of transactions undertaken by the bank between 1830 and 1870. Despite its imperfect composition, an interesting cross-section of individuals and firms are represented, and a number of useful observations may be made, especially on the way the bank's management handled the recovery of debts.

Advances

York City's first loan was granted to a farmer, Martin Stapylton, in July 1830. The sum of £10,000 was advanced for one year at interest rate of five per cent, secured by the mortgage of Stapylton's estates. In June 1831, the board noted that the loan was shortly due to be repaid. By October, however, notice was given to the bank's solicitors for the repayment of the loan, which had not been forthcoming. Instructions were finally given some five months later for them to proceed with the recovery of the debt. On 22 October 1832, Stapylton was present at the board meeting and it was resolved that a portion of his property, mortgaged to the bank, would be sold to indemnify the bank for the sum owed. Not the most auspicious start for the new bank it would seem.

The purpose of the loan is not made clear by the bank's records, although reports in the local and national press on Stapylton's activities at this time suggest that the money was used to wage a hopeless campaign in the North Riding election of 1830. Stapylton was a farmer of some forty-years standing. An advocate of free trade, but not in corn, he objected bitterly to the Lord's refusal to protect the agricultural population from foreign imports, which, as most agriculturalists feared at this time, would lower domestic corn prices. On 9 July 1830, Stapylton announced to the freeholders of Yorkshire his intention of 'soliciting their suffrages at the general election, on the honourable principle of freedom of election, by the freeholders coming to the poll at their own expense'.[3] He joined four other candidates, and the election was scheduled for 5 August in York. On the day of the election, a vast influx of freeholders 'in vehicles of every kind' was witnessed entering the city, arriving 'from the carriage and four down to the capacious wagons; as well as on horseback, and even on foot'.[4] The preliminaries having been dispensed with, each candidate was proposed and then seconded by a local personage; as nobody came forward to propose Stapylton, he nominated himself. When only a few hands were shown in Stapylton's favour, he demanded the poll be kept open until evening. Having then absented himself from proceedings, the poll was closed early with votes being counted as follows: Henry Brougham, 1,295; William Duncombe, 1,123; Richard Bethell, 1,064 and Martin Stapylton, 94 votes. It was later reported in *The Times* that Stapylton had tellingly

[3] John Mayhall (compiler), *Annals of Yorkshire, Volume 1*, [nd], p.363.

[4] *Ibid.*

lamented that 'those around him with money would probably succeed in excluding him'.[5] The money due to the bank was claimed back through the sale of part of Stapylton's estate. Despite the atypical nature of this loan, it is interesting to note that without adequate security, the outcome for York City could have been extremely costly.

Of course, business survival was dependent on the judgement of the bank's management when lending money, and for every Martin Stapylton, there were countless loans sanctioned which were duly repaid. In fact, the Stapylton affair appears to have acted as something of a check on the authorisation of sizeable loans. Between 1831 and 1838 as many loans were refused as were acceded to. More often than not, the directors withheld their reasons for refusing certain loan applications. For example, in February 1831 an unnamed client of Blanchard & Richardson, the bank's solicitors, requested an advance of £14,000 at an interest rate of four per cent; the board 'resolved to decline advancing the money'. Some months later, an application for £8,000 was made by W. Skinner & Co., bankers at Stockton, on account of the Tees Navigation Co. Again, the directors responded, without explanation, in the negative. Others were later declined on the grounds of insufficient security. In January 1834, Lord Muncaster requested an advance of £5,000. The board agreed to accommodate him to the extent of £1,700 on security of a second mortgage of an estate recently bought by him for £4,000 (the first mortgage being £2,000) and ten shares in the Pocklington Canal Co. Lord Muncaster made a repeated request later in the year for a further £5,000, which the bank's management rejected on the grounds of 'insufficient security'.[6] Of course, it was not just the bank that could object to unacceptable loan arrangements. Competition among banks was such that customers could shop around for the best deal. In December 1832, the directors sanctioned a loan of £5,000 to the Earl of Carlisle. His agent wrote back to decline the offer, claiming that the Earl 'objected to the [high] interest rate'.[7]

As table 4.4 and table 4.3 (chapter 4) show, during the 1830s and 1840s, the bank found no difficulty in employing its resources. Indeed, as discussed, a number of

[5] *The Times,* 11 December 1832, p.1, col. f.

[6] *DMB* (Y2), 20 January 1834 and 17 November 1834.

[7] *DMB* (Y2), 31 December 1832 and 7 January 1833.

respectable customers were declined accommodation during this period. At this time, however, the bank was in something of a unique position with regard to its location, and the way its management was able to lend funds.

Following the first wave of railway speculation from 1836, a second and more fervent outburst began in the 1840s, reaching its height in 1846. It was this 'mania' of railway construction that laid down the framework of the main-line railway system in the United Kingdom. In this way, major nodal towns across the network, like York, became 'railway centres'. York's importance as a railway town, therefore, opened up investment outlets peculiar to its location – something local banks, York City included, capitalised on.

The development of the railway system relied on two key sources of finance: share capital and loan capital. According to Reed's estimates, loans accounted for at least a third of total railway finance raised between 1840 and 1844, a proportion of which was indubitably supplied by the banks. According to Reed's work on the raising of railway loan capital, bank credit was a common form of finance in Scotland, although he found evidence of running balances with local bankers by a number of north east railway companies including: the Durham & Sunderland which owed its bankers £39,168 in 1841; the Newcastle & Carlisle which owed £43,209 in 1839, and further south, the Birmingham & Gloucester which owed its bankers £9,888 at the end of 1840.[8] As Reed remarks, however, it is difficult to judge from the figures alone whether these bank loans were simply short-term overdrafts, or part of a longer-term lending strategy.

York City's involvement in the provision of railway finance between 1830 and 1850 is detailed in table 5.1:

[8] M. C. Reed, *Investment in Railways in Britain, 1820-1844*, (1975), p.231.

Table 5.1 Railway lending, York City and County Bank, 1830-1850

Date	Amount (£)	Name of Company	Loan/account details
17.04.1832	5,000	Stockton & Darlington Rail Road Co.	£5,000 to be invested with the company at 4.5 per cent upon their bond.
15.07.1833	1,500	Stockton & Darlington Railway	Further loan granted at 4.5 per cent providing security satisfactory.
12.03.1838		Hartlepool Railway	Application for a loan by the secretary of the Hartlepool Railway declined.
01.06.1838		Great North of England Railway	Letter from the Great North of England Railway received on the subject of advances.
29.10.1838	5,000	North Midland Co.	£5,000 to be invested in the bonds of the Co.
04.02.1839	40,000	York & North Midland Railway	At 5 per cent.
15.04.1839	10,000	York & North Midland Railway	£10,000 to be invested in bonds of the Co for 3 years at 5 per cent.
26.01.1846	15,000	York & North Midland Railway	Loan request declined.
21.06.1841	5,000	Sunderland & Durham Railway	They are required to pay the bond of £5,000 in 3 months and if delayed beyond this time they are to be charged 6 per cent.
06.12.1841	5,000	Great North of England Railway	Board acceded to their application to discount the note of that Co at 6 per cent for £5,000 at 3 months date.
08.05.1848	3,000	Malton & Driffield Junction Railway	(Opened an account 21.02.48; 5 per cent on all advances/overdrawn

			accounts; amount in advances not to exceed £6,000) Co allowed to overdraw account by £3,000 in bills becoming due on 16th and 17th.

Work by Pressnell shows that bankers were reluctant to undertake railway investment until the mania of the 1840s spread across the country. Indeed, a report by the *Circular to Bankers* in 1839 discussed the difficulties in borrowing the railways were experiencing, recounting tales of companies who 'went from bank to bank in search of accommodation'.[9] However, as table 5.1 shows, two early loans were made by York City to the Stockton & Darlington Rail Road Co (later 'Railway Co'). In 1832, the bank advanced £5,000 to the company at a rate of 4.5 per cent upon security of their bond. A further £1,500 was granted a year later. In each instance, the money was advanced for a period of three years. A request for a loan made by the Hartlepool Railway in 1838 was, conversely, declined without explanation.

Most of York City's railway-related lending during the late 1830s and 1840s went to York & North Midland. In 1839 alone, £50,000 was invested in bonds of the company. Moreover, York City, along with York Union Bank, acted as agent for the company's local distribution of shares. London shares in York & North Midland were dispensed by stockbrokers, Foster & Braithwaite, while local investors made their applications either directly to the company's offices, or through the two designated banks.[10] Other loans during this period were made to the North Midland and the Great North of England, while a current account was opened for the Malton & Driffield Junction in 1848, allowing the company to overdraw up to a maximum of £6,000. Without doubt, the bank profited handsomely from its railway dealings. In February 1846, the directors reported that, owing to 'the very great increase of business by the numerous railway transactions at York during the last year' they unanimously resolved to present generous gratuities to the bank's general manager and agents, to raise the salary of a number of clerks, and to increase payment to their London agents, Barnett, Hoares & Co.[11]

Money was also indirectly invested in the railway companies via bank customers. Railway speculation among the middle classes became something of a national pastime during the 1840s, with shares being eagerly snapped up as new outlets for

[9] *Circular to Bankers*, 11 October 1839.

[10] Fred Singleton, *Industrial Revolution in Yorkshire*, (1970), p.248.

[11] *DMB* (Y3), February 1846.

the investing public opened up. Until 1847, it was normal practice for York City's management to make advances to customers for the purpose of paying railway calls. For example, in December 1838, the sum of £1,263 10s 6d was lent to Mr. Crawslay to pay the call of five per cent upon his 250 shares in the York & North Midland.

The 'railway mania' reached its apex in 1845, with 76 proposed Bills for railways affecting Yorkshire alone being submitted to Parliament for approval.[12] Storm clouds had begun to gather, however, and both the *Circular to Bankers* and the *Bankers' Magazine* warned, as early as 1845, that the unprecedented fervour for railway enterprise was not sustainable. 'If this line of conduct continues' affirmed the *Bankers' Magazine* prophetically, 'a monetary crisis will become inevitable'.[13] Those who failed to heed the warnings continued to speculate with zeal: 'such is the excitement at present amongst the speculators in *Railway Shares*' wrote the Editor of the City Article in *The Times* in 1845, 'that bargains are made in them at the coffee-houses and other places of resort in the city, long after the conclusion of business at the Stock Exchange'.[14] Others, however, had begun to voice their unease. An anonymous letter written for publication in the *Bankers' Magazine* (December 1845) warned, dramatically, that:

> 'The "signs of the times" are so unmistakeable, and the inevitable consequences of further speculation so obvious, that if we did not know the blind infatuation of the rage for gambling...we should stand aghast at the numberless victims the restless Juggernaut is crushing, beneath its ponderous wheels...'[15]

[12] E. H. Fowkes, 'Railway History and the Local Historian', *East Yorkshire History Society*, (1963).

[13] *Bankers' Magazine*, February 1845.

[14] 'City Article' in *The Times* (1845) quoted in the *Bankers' Magazine*, March 1845.

[15] 'The Wreck of Railways', correspondence to the *Bankers' Magazine*, December 1845. Note that it is was not just the speculation in railways the author abhorred. His letter went on to discuss his distaste for the railways themselves. For him they represented '...a tangled web spread over the face of our fair land – encircling and grasping in its meshes every thing that is beautiful and natural – disfiguring, by unsightly cuttings and ugly masses of arches, our finest scenery – filling the air with unearthly screeching, whistling and rattling and shrouding the earth in a pall of smoke "black as Erebus"'.

A less excited, although similarly troubled, letter was written by Charlotte Bronte to a friend in January 1846:

> 'The York and North Midland is, as you say, a very good line, yet I confess to you I should wish for my part to be wise in time. I cannot think that even the best lines will continue for many years at their present premiums, and I have been most anxious for us to sell our shares ere it be to late...'[16]

By 1847, distinct signs of alarm had set in. A bad harvest, coupled with the prospect of heavy imports of wheat from the continent, added to the rampant railway speculation, provided the conditions under which financial crisis set in. Given the level of interconnectedness York City had, firstly with the railways, and secondly, with the agricultural interest, it is of little surprise to find that they found themselves casualties of the crisis. The directors impressed quite urgently on the general manager in September 1847 that absolutely no advances for the purpose of parties paying railway calls were to be sanctioned. Moreover, given the bank's overlent position (see chart 4.3), strict instructions were issued to 'forthwith get in advances made to certain parties and especially to those who are doing little or no business with the Bank'.[17] This was, in fact, the second call the directors had made to reduce the amount of money being lent out to customers. The previous year, it had been reported in the *Managing Directors' Branch Minute Book*, that instructions had been given to the agent at Malton to 'reduce all unnecessary loans and not to make any advances'.[18] York City was not alone in its position. As Crick and Wadsworth note, at this time several of the Yorkshire banks were 'endeavouring to reduce the proportion of their resources lent to railways or on the security of railway stocks' especially since 'bank failures in other parts of the country were endangering the prestige of banking generally'.[19]

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[16] Extract from a letter written by Charlotte Bronte in January 1846, quoted in Singleton, *Industrial Revolution in Yorkshire*, p.72.

[17] *DMB* (Y3), 6 September 1847.

[18] Report from the Malton branch, York City & County Bank, 27 February 1846, *Managing Directors Branch Minute Book* (Y52).

[19] W. F. Crick and J. E. Wadsworth, *A Hundred Years of Joint Stock Banking*, (1936), p.219.

York City's following AGM was a gloomy affair. 'The past year has been one of unexampled distress and mercantile embarrassment' declared the directors in their summing up of business to the shareholders. 'The difficulties in consequence occasioned to Individuals and Companies' they continued 'have, in some cases been such as no previous calculations could have anticipated – no prudence have prevented; and with all frankness, it must be acknowledged that [the bank] has not been wholly exempted from those casualties from which few have escaped, and under the pressure of which too many have fallen'. The report went on to discuss the extent to which the financial crisis had been felt locally: 'of the losses sustained, the most serious has been occasioned by the failure of an establishment in York'. They concluded, however, that 'the affairs of that firm, as well as the other concerns alluded to, when wound up, will, they hope, present a much more favourable balance sheet than the exaggerations of Public rumour has suggested.'[20] The net gain for the year was given as £18,750, with shareholders receiving an ample dividend payment of ten per cent.[21]

Shortly after, a code of directions for the future management of the bank was drawn up in response both to the losses sustained as a result of imprudent lending, and also the gross mismanagement that had coincidentally occurred at the Boroughbridge branch.[22] The new rules placed the business of the bank under the watchful supervision of "The Committee" which consisted of two managing directors and the general manager. In particular, current accounts with overdraft facilities were not permitted to be set up without prior confirmation from the newly-appointed *Committee*. Moreover, existing current accounts were to have a maximum overdraft limit fixed by the *Committee*, and loans exceeding £200 were not to be made without consent. It was reported at the following AGM that the application of these more stringent regulations had favourably answered their expectations. What they omitted to tell their shareholders, however, is that the bank remained overlent. In April 1848, Thomas Price, one of the managing directors, took the unprecedented step of travelling to London to discuss with the bank's London agents, Barnett & Co, the possibility of procuring a loan from them

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[20] AGM, *DMB* (Y3), 27 January 1848.

[21] *Ibid.*

[22] See chapter 6 for the full 'Code of Directions for the Future Management of the York City & County Banking Co.'

for £20,000 - £10,000 of which was required immediately. Meanwhile, the tightening up of bank policy towards advances was continued in all quarters: after visiting the Christmas fair in 1849, Robert Barnes, the general manager, alerted the board to the risk and possible loss resulting from the business transacted with the different horse dealers there. A letter was sent out to each individual in response, stating: 'in future they must have the money they may require paid to their credit [at the bank]'.[23]

By the early 1850s, the business of the bank was said to be 'in a sound and healthy condition'[24] with all indicators showing a positive recovery. However, as chart 4.3 (chapter 4) shows, a distinct break in the relationship between public liabilities and total advances was evident. Indeed, table 4.4 (chapter 4) confirms that between around 1850 and 1870, loans and overdrafts accounted for a diminishing proportion of the bank's liability to the public. The late 'forties had proved a testing time for the bank's management, not only with the fallout from the burst of the speculative bubble, but also from the fraudulent behaviour of more than one of the bank's agents. The resultant difficulties experienced by the bank forced its management to reconsider the proportion of public funds being lent out, and, furthermore, who ought to be authorising such loans. Furthermore, the directors were forced to take a good look at decisions taken within their own ranks regarding rash lending, not least to parties whose outside business dealings had had a direct impact on the fortunes of the bank.

George Townsend Andrews was elected to the board of directors in 1847. He also sat on the board of directors of the Durham County Coal Co, which, in 1844, had procured a sizeable loan from York City & County Bank. On 12 February 1844, it was reported that:

> 'The Durham County Coal Co. having applied to open an account with this Bank to the extent of £20,000 and proposed to secure the same by a mortgage on their leasehold colliery and plant at Coxhoe in the County of Durham and certain freehold cottages thereto (which have been valued by Mr. Nicholas Wood of Newcastle Colliery, viewer, as worth £42,000 and

[23] *DMB* (Y4), 17 December 1849.

[24] AGM, *DMB* (Y4), 29 January 1852.

> upwards) and also by the personal covenant of their Durham Board of Directors consisting of Mr. George Townsend Andrews; Mr. Stephen Parkinson Wilks; Mr. Edward Day; Mr. Andrew White and Mr. Thomas Leaf. The Court agreed to comply with such application and directed the solicitor of the bank to prepare such instruments as may be necessary to secure the account.'[25]

A personal loan of £8,000 was also granted to Andrews by the bank around the same time, secured by the joint and several promissory notes of the Durham board of directors. Andrews' involvement in the region's industrial activity extended further than coal. Like most other businessmen, his dealings were inextricably bound up with the development of the railways. His relationship with George Hudson, in particular, was closer than most. As an architect, first and foremost, he shared in Hudson's financial rewards by way of work contracts. Indeed his rank as 'Hudson's cat's paw'[26] earned him the contracts to design and build the biggest stations on Hudson's lines including: the new station at York opened in 1841 for the use of the York & North Midland and Great North of England; the station at Gateshead; the station at Scarborough, and, not least, the ambitious new station opened at Hull in 1848 which covered an area of nearly two and a half acres.[27] Unfortunately, Andrews' fortunes mirrored Hudson's, and when the financial irregularities of the self-appointed 'Railway King' were exposed during the late 'forties, there were many – Andrews included – who were similarly caught short. The year after Hudson's public fall from grace, the state of Andrews' accounts with York City, and 'of his affairs [generally]' were brought before the board. It was their duty to report 'in consequence of the embarrassed state of his pecuniary affairs' that 'an assignment [be made] for the benefit of his creditors'.[28] A week later, Andrews was disqualified as a director of the bank in accordance with the 41st section of the deed of settlement, which stated that:

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[25] *DMB* (Y3), 12 February 1844.

[26] A. J. Peacock and David Joy, *George Hudson of York*, (1971), p.44.

[27] William Weaver Tomlinson, *The North Eastern Railway. Its Rise and Development*, (1914), pp.351, 450, 463, 490.

[28] *DMB* (Y3), 22 October 1850.

> '...no person shall be elected a Director, who shall not be a holder of Fifty Shares at least, in his own right, in the capital of the Company; or who shall have been a bankrupt and not paid his creditors in full; or discharged under any act for the relief of insolvent debtors; or who shall have compounded with his creditors...'[29]

It might seem, therefore, that York City's management exercised insufficient caution both in their selection of a director, and in the level of involvement his subsequent personal affairs were permitted to interfere with the profitability of the bank. As George Rae sagely urged: 'the accounts of Directors had better be kept at any other bank than their own...they ought not to sit in judgment on their own accounts'.[30] However, interlocking directorships were not especially uncommon for early joint-stock banks. As Hudson and Collins found in their study of bank lending in West Yorkshire and Liverpool, 'the new bankers of the 1830s...were local entrepreneurs whose participation in banking was largely an adjunct to other business interests.'[31] In this way, the involvement of the banks with local business interests quite often formed a 'mutually supportive relationship'. Work by Newton on regional bank-industry relations during the mid-nineteenth century supports this idea, showing that conspicuous levels of interrelatedness between bankers and manufacturers in Sheffield proved, with the odd exception, to be mutually beneficial.[32] Indeed, the importance of interlocking social networks between York City and the early railway companies of York cannot be underestimated, both in terms of the bank's profitable employment of resources, and the development of its own branch network. However, as the Andrews case only too clearly demonstrated, close ties could also work against the banks as many found to their chagrin.

In fact, an interesting example of 'wild' lending occurred at one of York City's neighbouring banks during the 1840s. York Union Bank was set up in 1833 by

[29] *Deed of Settlement*, York City & County Bank, 1830.

[30] George Rae, *The Country Banker*, (1885), p.293.

[31] P. Hudson and Michael Collins, 'Provincial bank lending: Yorkshire and Merseyside 1826-60', *Bulletin of Economic Research*, 31, 2, (1979), p.70.

[32] Lucy Newton, 'Regional bank-industry relations during the mid-nineteenth century: Links between bankers and manufacturing in Sheffield, c. 1850 to c. 1885', *Business History*, 38, 3, (1996).

railway potentate, George Hudson. The firm's prospectus cited 'the very prosperous state of the York City & County Bank' as the principal reason for the formation of another joint-stock bank in York, and business commenced that year under the superintendence of Hudson. From the outset, the bank was, first and foremost, an instrument for financing Hudson's railway building schemes. However, when the construction boom of the 1840s ended in 1847, shareholders and lenders alike felt the pinch. Hudson's schemes had drawn heavily on the resources of York Union Bank, which during the crisis years of 1847 and 1848 was forced to 'draw deep upon the purses of the City'.[33] The confusion and fraudulence revealed in Hudson's railway accounts caused eyes to be cast over the legitimacy of his dealings with York Union Bank from which he resigned his post in 1849. It was discovered that, aside from using the bank as his own personal financial tool, he had allowed – and, indeed, encouraged – others to 'dip in the pot'.[34]

The bank had been managed from 1833 by B. T. Wilkinson, a former employee of York City & County Bank, who had been poached from his agency duties at Scarborough by Hudson. When Hudson's spurious transactions were revealed, Wilkinson found his indiscretions similarly exposed. Attention was drawn to the fact that he held accounts at his own bank, which were spectacularly overdrawn. He had, in fact, been speculating on the railways, with Hudson's approval, using bank funds. His losses amounted to around £20,000. It would seem, therefore, as Lambert points out, that 'the bank was so useful to Hudson in his major financial operations that he thought it worth while to wink at its principle servant "making hay while the sun shone" during the Railway Mania'.[35] Wilkinson was, accordingly, dismissed, leaving a string of bad debts, which, owing to worthless security, made their recovery impossible.

Despite the huge sums advanced on loan by the York City – especially to the railway companies during the 'thirties and 'forties - advances on current account formed the most significant component of York City's total advances between 1830 and 1870. As table 4.5 (chapter 4) shows, on average, over the period, overdrafts accounted for two-thirds of the bank's total lending to customers.

[33] Richard S. Lambert, *The Railway King*, (1934), p.21.

[34] See Peacock and Joy, *George Hudson of York*.

[35] *Ibid.*, p.279.

As surviving material from the Howden, Ripon and Selby branches shows, there was no such thing as a typical overdraft. These branches were situated in market towns, where a cross-section of custom was attracted. Customers' needs varied from branch to branch, and their borrowing requirements were influenced by the trade they undertook, and the area in which they were resident. In this way, the amount of money advanced on current account, and the way it was repaid, fluctuated monthly. As George Rae commented, 'if the borrower has accustomed himself to make use of the overdraft only now and then...repayment will be prompt. If he has used the overdraft as a permanent addition to his floating capital, repayment will be slower...but if he has fixed it in his trade – in buildings or machinery, the time of repayment will be altogether uncertain'.[36] In short, there was, generally speaking, no fixed time period in which overdrafts were repaid.

The branch agents decided the terms on which individual overdrafts were allowed. At York City, as chapters 1 and 6 show, agents were selected, by and large, for their banking experience and local ties. The importance of local knowledge at this time cannot be underestimated and York City's directors looked for this quality most keenly in new recruits, particularly during the 1830s, when confidence between borrowers and lenders alike still needed to be cemented. Like their private counterparts before them, joint-stock bankers operated on a local scale – even those few that branched. In this way, customers seeking accommodation tended to be known personally, or at least indirectly, by the branch agent or general manager. As Gilbart noted, 'in a country town everything is known about everybody'.[37] Therefore, a banker was able to judge the creditworthiness of his customers using his local knowledge. Examination of York City's branch-related papers supports this idea. At the Selby branch between 1830 and 1868, the agent, Robert Morrell, kept a list of customers with comments written against their names detailing their general character, family connections, reputation and overall creditworthiness. Approximately two-thirds of the names on the list were considered 'very good'. The rest, however, had extra notes jotted by their names

[36] Rae, *Country Banker*, pp.45-6.

[37] J. W. Gilbart, *A Practical Treatise on Banking, Vol.I*, (1865), p.27.

to remind Morrell that caution in certain circumstances needed to be exercised.[38] For example:

○ John Adams & Sons (Flax Spinners)	Be very careful in advances. Reference and deeds.
○ Richard Jackson (Tanner)	On his mother's reference.
○ Billy Lee (Soap Boiler)	Very bad.
○ William Rawlinson (Grocer)	Bad.
○ Jonathan Smith (Baker)	Speculative. Waiter in the Inn. Reference.
○ Smithson & Fosters (Founders)	Be very careful with them.
○ Joseph Varley (Grocer)	Respectable, but be careful.

The same sort of system operated at Howden and Ripon where the agents made subjective comments about the character and reputation of each customer – especially those in receipt of advances on their current accounts. For example, J. C. Smale, the branch agent at Ripon, allowed William Jackson, a miller, to overdraw his account on the basis that he was 'considered very respectable by John Lightfoot'. Similarly, William Steel & Co., a coachbuilding firm, were accommodated, safe in the knowledge that they were 'steady and industrious'. Thomas Clough's comments on his customers' creditworthiness at Howden took the same form. For instance, Robert Chaplin's account was deemed 'safe' because 'he lives on his own property', while Robert Meggett, draper and painter, was known to be a 'respectable tradesman' and therefore 'safe for £250'.[39]

The manner in which the agents at York City performed credit assessment was typical of how joint-stock bankers operated during the 1830s and 1840s. A reluctance to branch up until the 1860s meant that business continued to be conducted locally. Therefore, 'it was of great importance to a banker to have an ample knowledge of the means and transactions of his customers'.[40] Indeed, as Cottrell found of the Barnsley Banking Co., which was also very much a local

[38] Miscellaneous branch material, Selby (Y105/2). See appendix 5.3 for the complete list of customers.

[39] Cash Books, Ripon and Howden branches, York City & County Bank, (Y54).

[40] Gilbart, *Practical Treatise*, p.26.

concern, 'its directors and manager knew personally most of their clients and through such knowledge determined their credit-worthiness'. He cited the example of a farmer there who had requested an overdraft, the bank's directors reporting that the farmer's grandfather had said 'we should be all right in letting him having it'.[41] By the same token, another loan request from a customer in neighbouring Wakefield was refused, it being explained that 'we think it a sufficient reason for the above coming from his own locality'.[42] In this way, the new joint-stock banks continued in the private system tradition, where a country banker's knowledge and confidence in his neighbours could, in some cases, reach extraordinary lengths. For example, in 1790, an interest note, lost by its holder William Turrell, received interest from Messrs. Gurney & Turner despite its unavailability. 'If I find it' stated Turrell, 'I hereby promise to deliver it up'.[43] This example, while quite phenomenal by modern standards, illustrated how bankers – both private and joint-stock – operated in small country towns during the late eighteenth, and early nineteenth century.

Knowledge about customers, and confidence in their creditworthiness, formed the basis on which York City's business was conducted, especially at the branches, which dealt with custom peculiar to their respective district. The agent at a busy seaport branch, for example, would have had little understanding of the business carried out in a quiet market town, in the same way that an industrial banker would not have understood the nuances of agricultural custom. As the cash books from Ripon and Howden show, a lot of customers' borrowing requirements were seasonal, with loan repayments being entirely dependent, say, on a good potato crop, or a successful malting season. In these instances, the agent knew at what times of year his customers were most likely to need accommodation and when they would subsequently be in funds again. Money was lent, therefore, on the basis of what the banker knew, firstly, about the character of his customers and, secondly, on the nature of the trade in which they were engaged. For example, Thomas Carter's account at Howden 'went higher' each year 'on account of the

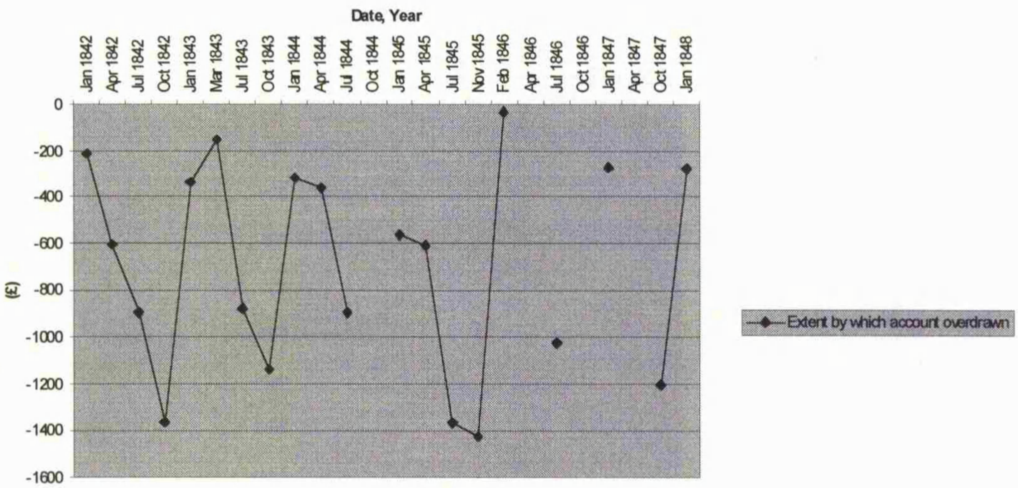
[41] P. L. Cottrell, *Industrial Finance 1830-1914: The Finance and Organisation of English Manufacturing Industry*, London (1979), pp.213-4.

[42] *Ibid.*

[43] Margaret Dawes and C. N. Ward-Perkins, *Country Banks of England and Wales*, Kent (2000), p.3.

malting season'. Likewise, the account of timber and iron merchants, Charles Singleton & Sons, was allowed to vary owing to the fact that they 'received their money once in the year'. This was also the case with Thomas Ostler, a currier by trade. The state of his account was entirely dependent on the time of year. Chart 5.1 shows the extent to which his account was overdrawn each quarter between 1842 and 1848:

Chart 5.1 Account of Thomas Ostler (Currier, Howden), Howden Branch, York City & County Bank, 1842-1848



As Chart 5.1 clearly shows, Ostler's borrowing requirements peaked each autumn. During October and November, his account was always overdrawn by at least £1,000. Each January, the deficit was paid off, bringing his overdraft limit within £400. Given the systematic borrowing pattern his account exhibited, no security was demanded by Clough, it being understood that 'Mr. Ostler's trade is of that nature, he only receives his money at one period in the, say, Christmas where his advance is generally paid off'. Moreover, Clough knew him to be 'very industrious and respectable' making default on his account unlikely.[44]

These types of overdraft arrangements were quite typical of country bankers during the first half of the nineteenth century as Somersetshire Banker, Vincent Stuckey, confirmed to the Select Committee on the renewal of the charter of the Bank of England in 1832:

[44] Cash Book, Howden branch, York City & County Bank (Y54).

> 'We are in the habit of accommodating farmers; that accommodation, from the month of May to the month of October, takes place to the extent of perhaps £40,000 or £50,000; everybody knows that in these months the farmers are out of cash, most farmers begin to be poor in the month of May, he has sold all his stock, and had got his harvest and every thing to get in, and therefore, till October, he leans on his banker'.

This was done, he added, in a way that prevented the bank from becoming overlent at any time:

> 'We see what we have got in deposits on interest, which cannot be suddenly called for; we think we may safely lend to agriculturalists to the extent of such deposits'.[45]

Such was the confidence, therefore, of Stuckey in his agricultural neighbours, that he allowed them to borrow to the full extent of deposits received, safe in the knowledge that repayment would follow after harvest time. The way in which York City, Stuckey's Banking Co, and other country bankers alike assured this, was to base lending decisions on what they knew and understood about the locality. As an article in the *Circular to Bankers* confirmed, 'farmers all over the country, more than all other classes [are] dependent on the habits, usages, and conveniences which have grown out of the feelings generated by personal intercourse, acquaintance with the nature of various and varying pursuits, knowledge and character, and the confidence which it inspires'.[46] Even at Lloyds in Birmingham, which was still a market centre for farmers during the 1860s, country people were said to 'gravitate to the end of the counter where Mr. Tatnall could talk of pigs, potatoes, and turnips'.[47]

The influence of local factors – particularly in agricultural areas – had a huge bearing on the way their customers' accounts were conducted which, in turn,

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[45] *B.P.P.*, VI, 1831-2, *Bank of England, Secret Committee Report, Minutes of Evidence, etc.*, evidence of Vincent Stuckey, q.972.

[46] *Circular to Bankers*, 5 April 1844.

[47] R. S. Sayers, *Lloyds Bank in the History of English Banking*, (1957). p.92.

affected the prosperity of the bank. The directors at York City were well aware of this, and concentrated their agent's efforts in areas where they were sure to prosper. In this way, when a branch under-performed, it was understood that circumstances peculiar to the district may have been in play. Regular visits to the branches by the managing directors ensured that the board were aware of all such contingencies. 'No very great amount of business doing at the Boroughbridge branch' reported the directors in March 1851, owing to 'the distressed state of agriculture there'. Similarly, the business of the Whitby branch in June 1850 was said to be 'not very brisk' given that 'the branch is to some extent affected by the dullness of the shipping trade'. Meanwhile, business at Goole was reported to be 'in a healthy and prosperous state' owing to 'the abundant crop of potatoes last season in that district'.[48]

Such was the extent of knowledge possessed about the market towns of East and North Yorkshire, and the extent to which York City had gained the confidence of their residents, that the bank's management, up until 1870 at least, was content to carry on business, without deviation, within the confines of this locality. No attempt was made to push into the textile county of West Yorkshire, or the industrial hinterland of Tyneside; indeed, the bank did not even open a branch at Hull until 1875. It was not until the opening of the bank's Middlesbrough branch in 1871, and the subsequent policy of expansion pursued under the new general manager, William Wilberforce Morrell, that the bank got involved in anything other than what was, up until this point, familiar.

Despite management's reluctance to push into industrial territory, the bank could count amongst its assets during the 1850s, a soap works at Birkenhead, and an iron works at Swinton, near Rotherham. The bank's involvement with the iron works, in particular, became a rather protracted affair. The earliest reference to the area's connection with iron stems from 1828 when the land known as Great Longbank, or Hare Stock, was sold by William Darwin (ironmaster) to Richard Hutton Slagg (steel refiner). A mortgage dated 1829 covered the land and furnaces there. However, the venture proved unsuccessful. Slagg was served with bankruptcy proceedings in 1834 and the works were sold to Thomas Smith two years later.

[48] *Managing Directors Branch Minute Book*, York City & County Bank (Y52), March 1851; June 1850.

The premises changed hands a number of times in the suceeding years, coming into the possession of the Nisterdale Iron Co. in 1846 by when it had come to be known as the Swinton Iron Works.[49]

An undisclosed sum of money was advanced to E. Dacke by York City some time during the first half of the 1850s on the security of the Swinton Iron Works. In 1856, Dacke defaulted on his repayments, forcing the bank to instruct their solicitors to take possession of the iron works and a number of other properties, including Kilnhurst House, the mill in Saville Street, Leeds, and the cottages and workshops in Castle Street, also in Leeds, upon which they had security. In December 1857, Richardson & Gutch, York City's solicitors, wrote to Cariss & Cudworth offering them, as solicitors for the trustees under E. Dacke's assignment, the sum of £1,500 for their interest as trustees in the goods and chattels, which were not permitted to pass to the bank under the mortgage deed. They also stated that the bank found the sum of £10,000 to be the value to be taken for all that they held under their deeds of mortgage on the Swinton Iron Works and related properties. In this way, they intended to proceed against Dacke's estate 'for all they may want' beyond £10,000. Clearly unhappy with this arrangement, the trustees of Dacke's estate demanded, in response, that the bank pay £2,000 to them for their claim on the works and, furthermore, the bank should forego their right to press for all debt above £10,000. Unimpressed by the terms proposed, York City entered into the spirit of barter with the trustees, offering £1,750, insisting they retain their right to press for all their debt over and above the value of the security.

The mill property in Leeds was sold for £1,400 in 1858, while the Iron Works was advertised for sale by private contract in the Sheffield, Leeds, Manchester, Birmingham and Midland Counties *Herald.* The works were offered to Mr. Turley shortly after for £16,000 but the sale did not proceed. In 1860, an offer from Sandford & Beatson to rent the works was accepted. The premises, machinery and field (containing three acres) were leased to the company for seven years at an annual rent of £600. By 1862, however, York City's directors had decided to sell the property at Kilnhurst, in mortgage to the bank, to secure Dacke's account.

[49] H. W. Quarrell, *History of Swinton,* (1954) p.60. *The Times*, Bankruptcies: Slagg, Richard Hutton, 22 March 1834, p.8, col.e.

In June 1863, John Brown & Co. of the Atlas Works, Sheffield, confirmed their intention to purchase the Swinton Iron Works for £5,500. A deposit of £1,000 was paid to the bank, and promissory notes for £4,500 were given for the balance of the money - £1,250 at twelve months; £1,250 at two years; £1,000 at three years, and £1,000 at four years. It was agreed that the deeds would remain with the bank until the payment of the promissory notes and the interest (at five per cent) thereon. In March 1864, it was reported that John Brown & Co. had completed purchase of the Swinton Iron Works. Swinton Iron's subsequent history was no less unsettled, however. Brown & Co developed the site significantly, erecting a substantial plant for the puddling of iron and rolling it into plates. As late as 1879, the company was still rolling iron armour plate in Sheffield but, owing to the development of the Bessemer process, iron was being replaced by steel, and the Kilnhurst Works eventually ceased operations. The site remained derelict until John Baker purchased it in 1903.[50]

The sale of the iron works in 1864 secured some of the debt owing to York City by its previous assignee, without which the bank's losses would have been considerably greater. In fact, what this case shows is that 'if a banker has a claim, to have his loans covered by security, it follows that the security thus taken ought to suffice, under all circumstances, to secure repayment of the advance which it is taken to cover'.[51] In other words, banks had to have a guarantee that the money they lent out would be repaid. The only way to do this was to demand security from borrowers.

Securities

The issue of securities was such an important one that a series of letters was written on the subject by George Rae, in his guise as Thomas Bullion, to the *Bankers' Magazine* in 1849. Despite the length of his essays, his overall argument was short and to the point: 'a banker ought never to make advances uncovered by security' and furthermore, he should 'reject as security everything that is not readily convertible into money'.[52]

[50] Quarrell, *History of Swinton*, p.60.

[51] Rae, *Country Banker*, p.91.

[52] 'Letters to a Branch Manager', *Bankers' Magazine*, July 1849.

Bankers judged the creditworthiness of their customers on the basis of what they knew about them personally. While this overcame, to some extent, the information asymmetries existing between borrower and lender, occasionally it made the banker lax when asking for security. In fact, many bankers were of the opinion that securities could not be dealt with in a standardised fashion and, instead, each customer ought to be judged on their individual circumstances, meaning that, on occasion, security might be deemed unnecessary and therefore not asked for. As extracts from a 'letter to a branch manager' show, from time to time, bankers felt it discourteous and therefore imprudent to ask for security for fear of being seen to insult their customers' integrity:

> 'It should not be a rule absolute amongst bankers to require security for advances; that cases are a daily occurrence, in the experience of every bank manager, or parties of visible means and unquestionable responsibility requiring advances, whom it would be impolitic and unnecessary to ask security from, and who would be highly indignant and irreparably offended if you did, and would take their custom elsewhere.'[53]

A lack of comprehensive policy towards securities seemed to be the norm at York City, especially during the 'thirties and 'forties. Despite the strict approach taken towards loans at a board level, branch agents decided upon the security requirements for small loans and overdrawn accounts quite arbitrarily and autonomously from Head Office. As cash books from the Howden and Ripon branches (1842-1862) show, the agents relied on what they knew about each customer personally, and the environment in which they worked, to decide how much security was needed to guarantee each account. At Howden in particular, many customers were permitted to overdraw without security for a variety of reasons. For example, John Bowman, veterinary surgeon, horse dealer and innkeeper at the 'Half Moon' kept an account at the Howden branch between 1844 and 1850 which was regularly overdrawn to the extent of £300. Security was not demanded of him, however, since the branch agent, Thomas Clough, considered him 'very industrious' with 'a considerable value of stock on hand always'. Similarly, Charles Singleton & Sons, a firm of timber and iron merchants based at Howden Dyke, were not obliged to secure their account. 'No security is required'

[53] *Ibid.*, May 1849

stated Clough, 'since they receive their money once in the year where the advance has generally been paid off'. Moreover, he added, credence was lent to the account by the fact that 'the managing partner is William Singleton of Leeds in the firm of Harrison & Singleton, large timber merchants'. Others, meanwhile, were relieved of formally securing their accounts by dint of their profession and their consequent standing in the community. For example, George England was described as a 'respectable attorney, clerk to the Poor Law Guardians and rising in his profession' and therefore 'safe'. In the same way, Thomas Gaggs, a local surgeon was known to be 'in a respectable practice' and furthermore 'will have considerable property by virtue of his uncle's will', also rendering him quite safe. And finally, Clough did not trouble families of property and wealth for guarantees. Between 1844 and 1850, John Dunn Esq. remained permanently overdrawn at the Howden branch to the extent of almost £3,000. Again 'no security is required' stated Clough, 'Mr Dunn being a proprietor of considerable property in Howden and has a large estate at Neadby in Lincolnshire'. In this way, he decided, he was 'safe for £5,000'.[54]

The latter instance is an interesting example of how bankers, on occasion, felt compelled to acquiesce to the demands of wealthy customers. While Dunn may well have been safe for £5,000, it would have been advisable (by modern standards) for Clough to request some kind of easily realisable security instead of relying on landed property should the need for any claim have arisen. As George Rae rightly pointed out, 'it may be a trial to your feelings to have to refuse an advance, or ask for security, from a gentleman of excellent family and disposition, with whom probably the previous day you have dined, and with whom you are in habits of constant and friendly intercourse' but, fundamentally, 'business is business'. Moreover, in his opinion, 'if the principle of requiring security for advances, in all cases, without respect of persons, had been adopted, from the outset of joint-stock banking in England, and rigidly adhered to...the business done would have been more legitimate'[55] suggesting a definite need for some kind of standardised approach towards the call for security. The problem was 'old

[54] See appendix 5.4 for a full list of customers at the Howden branch between 1842 and 1850 and the guarantees given to secure their accounts. Information extracted from: Cash Book, Howden branch, York City & County Bank, (Y53).

[55] *Bankers' Magazine*, May 1849.

habits died hard, and their death was postponed by the very personal nature of private banking'. As Pressnell wrote in 1956, 'it was less easy...for a banker to refuse an advance on doubtful security than it is today, when he can shift the onus of refusal on to the impersonal mechanisms of the modern joint stock bank.'[56] Evidence from the *Select Committee on the State of Agriculture* (1836-7) shows that farmers, in particular, had been used to receiving credit without the need for security. 'Every common pig-jobber twenty years ago could get money from the bankers without security' claimed Cambridgeshire farmer William Thurnall, and the banks 'did not suffer any great losses'.[57] Moreover, it was added by Henry Burgess, editor of the *Circular to Bankers*, that 'personal character had often been a sufficient basis for bank advances [in times when] bankers were less particular about security than they were to become subsequently'.[58] What the Howden example shows is, therefore, at York City, the mode of conducting business peculiar to the private system remained inherent in the joint-stock bank for some years.

At Howden in particular, customers were given significant leeway with regard to the size of, and indeed need for, securities. Thomas Clough conducted business at the branch very much in his own way. Prior to his employment at York City, he had been a partner in the private banking house of Scholfield & Clough, which, for many years, had operated at Selby and Howden. His local knowledge, therefore, was second to none, although this meant that the way in which he accommodated York City's customers was largely influenced by the way he had previously conducted business under the private system. In short, he was a banker of 'the old school' and, as such, the Howden branch (and indeed the agency at Goole which remained under his superintendence until 1838) was run according to his own whims. While this was to the bank's advantage in certain respects, Clough's failure to demand security for each account landed the branch in hot water on more than one occasion. In fact, a letter written to Robert Morrell (at Selby) by Francis Lister (of Goole) in 1841 suggests that Clough's attitude at this time was veering out of the bank's acceptable bounds. 'The profits of the whole establishment must

[56] L. S. Pressnell, *Country Banking in the Industrial Revolution*, (1956), p.296.

[57] *B.P.P.*, VIII, 1836, *Select Committee on the State of Agriculture*, evidence of William Thurnell, qq.2522-23.

[58] *Ibid.,* evidence of Henry Burgess, qq.15,951 and 16,078-80.

have been enormous' speculated Lister, '[providing] the Directors made any reserve...for the loss at Howden'. 'Poor Mr Clough' he went on, 'continues I'm afraid in a very indifferent state and unless he rally soon I fear the business will suffer'. In particular, he pointed out, 'two of his customers, since I saw you, have spoken to me on the subject of removing their accounts from Howden to Goole, and several parties to whom he has refused discount of Bills & c. have been over to get their business done here'. This, he concluded, 'really will not do'.[59]

It would seem, therefore, that Clough's approach, not only to securities, but also to other aspects of business, was raising eyebrows generally amongst fellow agents. It is impossible to say what turned his attitude around, but the fact that he remained at Howden until his retirement in 1868 suggests that the tightening up of procedure by the directors during the 1850s pulled him firmly into line. However, the way the branch was run during its early days ran contrary to the way in which other agents operated, and indeed counter to the general approach being recommended in the specialist press. 'The losses arising out of uncovered advances within very recent memory' recalled George Rae in 1849, 'have been of a magnitude sufficient, one might think, to impress upon the minds of bankers...the danger of such advances, and the necessity of rendering security a *sine qua non* henceforward, for money lent or advanced.[60] Indeed, it was around this time, while York City as a whole was still reeling from the after effects of the railway crisis, that more stringent rules were applied to the way in which advances were granted. In particular, from 1848, agents were required to furnish the directors in the first week of each month, with a return from their respective branches detailing all loans and overdrafts sanctioned.

The procedure at Ripon regarding securities appears, on the other hand, to have been a little tighter than that exhibited at Howden. Details are available for the branch between 1850 and 1862 when it was under the management of John Clough Smale. Smale's appointment in 1848 was occasioned by the dismissal of two previous agents for improper behaviour. It is safe to assume, therefore, that the directors subsequently kept a particularly close eye on this branch. Of the

[59] Letter written to Robert Morrell (at Selby) by Francis Lister (of Goole) (Y104/4), 11 February 1841.

[60] 'Letters to a Branch Manager', *Bankers' Magazine*, May 1849.

customers banking there, very few were permitted to overdraw without security. Where security was not called for, advances tended to be of a temporary nature, or backed up by some form of tangible security, not officially handed over to the bank. For example, John Fleetham, chemist and druggist at Ripon, was authorised to overdraw his account between 1850 and 1852 to the extent of £155. No security was asked for since he had a promissory note for £70 from 'a brother in good employment in London'. Similarly, Rebecca Charnock of Keighley near Ripon, was lent an unsecured sum between July 1850 and September 1851, it being explained that 'the advance [was] only temporary'. In fact, it would seem that Smale's prudence in dealing with advances paid off. The only debt that turned bad during this period was that of John Woodhouse, a local linen draper. Smale allowed Woodhouse to overdraw to the extent of £425 on security of deeds of property at Whitby worth £300, and promissory notes from Mrs Scott for £200. The account was closed in 1856, it being remarked that this was 'Smale's first bad debt in fourteen years'[61] – proof then, that even the provision of security was not always a cast iron guarantee against loss. Nevertheless, the mantra repeated in all quarters of the financial press was that: a banker's duty, as well as his right, was to invariably demand security for advances. Indeed, as Pressnell found 'the general impression bankers strove to convey was that lending without any security other than the banker's confidence in the borrower had become exceptional by the second quarter of the nineteenth century'.[62]

Where security was lodged, it varied from customer to customer, both in size and description. As already discussed, most of the loans made by York City post-1850 went principally to railway companies and London stockbrokers. As appendix 5.1 shows, between 1850 and 1870, the bank was regularly lending to the North Eastern, Eastern Counties, Eastern Union, and Great Northern. Advances were made for sums ranging, on average, from £10,000 to £50,000, secured, by and large, by debentures. For example, the first loan granted to the newly

[61] See appendix 5.5 for a full list of customers at the Ripon branch between 1850 and 1862 and the guarantees given to secure their accounts. Information extracted from: Cash Book, Ripon branch, York City & County Bank, (Y54).

[62] Pressnell, *Country Banking in the Industrial Revolution*, p.304.

amalgamated North Eastern[63] in January 1855 was for £20,000, lent on debentures for three years. Two further loans were made to the company that year, based on the same security requirements. In March, the loan made to the York & North Midland for £20,000 fell due; the money was promptly lent to the North Eastern at five per cent for 18 months, providing the railway company gave a debenture bond for the sum. A third loan – this time for £50,000 – was also sanctioned some months later. 'A debenture' it was said, 'will be granted to the bank if applied for'.[64] Indeed, York City's subsequent lending to railway companies was almost exclusively conducted on the security of railway bonds and debentures, for time periods ranging anywhere from a few months up to three years. Quite interestingly, the *Economist* had resolutely objected to this type of security just a few years earlier. In 1849, they published an article outlining the constituents of a 'good banking security'. In their opinion, railway bonds and debentures were not proper banking securities. 'We should consider it bad practice in a banker' they wrote, 'to advance money to a railway company on bonds or debentures for one, two, or more years.' Instead, they argued, 'we should consider it strictly correct practice for a banker to advance money for *two, three,* or *four* months, on the security of such instruments with a sufficient margin'.[65] Their objection to debentures, along with Consols and exchequer bills (both of which York City held) was based on the speed with which they could be converted into cash. The article made it quite clear that, owing to the nature of funds bankers employed, lending should not involve securities of a 'lengthened and uncertain investment'.[66] However, it should be noted that, despite the *Economist*'s objections, at the same time, paid-up shares in railway companies were deemed sound security by a good many bankers – York City included. Indeed, as Rae commented some years later, 'the ordinary, or preference, or debenture stock of any leading English railway company, is only second in quality, as a banking security, to Consols or Treasury

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[63] In 1854, the following railway companies were absorbed into the North Eastern Railway Co: York & North Midland; Malton & Driffield Junction; Hull & Selby; Newcastle & Berwick; York, Newcastle & Berwick; Durham & Sunderland; Great North of England, and Stockton & Darlington.

[64] See appendix 5.1 for a complete list of loans granted by York City between 1850 and 1870. Information extracted from Board Minute Books, York City & County Bank (Y4-Y7).

[65] 'What Constitutes a Good Banking Security', *Economist* reprinted in the *Bankers' Magazine,* July 1849.

[66] *Ibid.*

Bills themselves' owing to their 'readiness of sale, facility of transfer, steadiness of value, and absence of liability'.[67]

York City's preference for railway stock, both as security, and a means of investment, is well evidenced. Despite the tremendous crash, which followed the railway mania of the 1840s, York City's management continued to favour, and indeed plough more funds into, railway finance. From 1850, surplus funds were regularly sent to London stockbrokers, Foster & Braithwaite and Price & Pott, to be invested profitably by them on behalf of the company. Loans to London tended to be made on a short-term basis – typically three months – and were, almost always, made upon railway stock. For example, £10,000 was sent to Price & Pott in October 1870 for three months on railway stock, in this instance: Brighton Preference No.6 (£5,000), Great Western Consolidated Five Per Cent Preference (£4,800), and Caledonian Ordinary (£5,000).

Loans were also made to individual customers on security of railway shares. Railway stock, in Rae's experience, was the 'champion sample of banking cover', and as such, was to be encouraged in the guarantee of loans. 'This fulfils every requirement of a banking security' he proclaimed, since 'it affords to a lender simplicity of title, cheapness of ease of transfer, readiness of sale, reasonable steadiness of value, and ample margin for loss'.[68] Indeed, as security for short-term loans, railway stock, it seems, was very much favoured by York City's directors. For instance, the sum of £12,000 was happily advanced to John Rand of Bradford in September 1846 for three months on the transfer of certificates of 200 shares in the Leeds & Bradford. Authority was given to the bank, as transferee, to sell the shares should the sum not be paid within seven days of falling due. Similarly, two fixed loans were made to Mr. Uppleby of Scarborough in September 1851 totalling £14,000. His security included: the deposit of deeds to a property in London, valued at £5,000; a promissory note for £2,000 endorsed over to the bank, and, most importantly; the lodgement of £15,000 worth of stock guaranteed by Great Western at the bank in the joint names of Price and Meek, York City's managing directors, along with 1,200 York, Newcastle & Berwick shares upon which £5 had been paid making £6,000 in all.

[67] Rae, *Country Banker*, p.102.

[68] *Ibid.*, p.101.

Despite the quality of railway stock as a security, and the obvious advantages it yielded to the banker, other types of security were also accepted to guarantee customer liabilities. According to the information given in the Howden and Ripon cash books, acceptable forms included: title deeds, personal bonds and guarantees, promissory notes, and the assignment of stock and insurance policies.

Land was, by and far, the most widely used form of security to guarantee customer accounts. At Ripon, just under one quarter of the accounts held there between 1850 and 1862 were secured by the deposit of deeds. At Howden, deeds of some form had been lodged to secure almost half of the branch's overdrawn accounts. The value and type of deeds held at both branches varied, depending on the personal history of the customer, the extent to which the account was overdrawn, and the nature of any supplementary security. For example, Thomas Carter, a brewer and maltster at Howden, deposited deeds of a property at Howden upon which a malt kiln had recently been built, valued at between £700 and £800, along with five shares valued at £175, to secure his account. In March 1843, his borrowing requirements increased due to the malting season, and in January 1844 he purchased £1,300 worth of barley, causing him to overdraw by £2,433. The reason for further borrowing being understood, he was asked for additional security. Deeds valued at £500 and £300 respectively were duly furnished. Upon reviewing the provision of securities by all customers in 1850, the branch agent, Thomas Clough, was sufficiently satisfied with the conduct of Carter's account that no further security was required; the £1,500 thereby lodged rendering adequate cover.

The problem with land security, as the Swinton Iron case showed, was that the recovery of debt tended to be a protracted affair. Despite the quality of the security, it was not easily realisable and, for this reason, loans on property, or mortgage of land, were viewed by many to be an unwelcome form of banking security. Indeed, despite accepting deeds to secure advances, York City's management found itself on a number of occasions encumbered with property and land which, in some cases, not only proved difficult to acquire legally but was also difficult to dispose of profitably thereafter. For example, matters had got so knotty with J. B. Popes & Co.'s affairs at the Goole branch in 1849 that the directors were forced to write a strong letter to the company's solicitors regarding the sale of the Crigglestone Estate, mortgaged to the bank, stating that 'if they fail or neglect to proceed with the sale of the Estate [on the specified date], the bank would take measures after that time as under the circumstances shall seem best for its own interest without reference to other parties'.[69] In the subsequent absence of a satisfactory conclusion, the bank took steps to sell a number of vessels belonging to Popes & Co. at the Crigglestone Estate and also any property at Hull, Beverley or elsewhere not included in the valuation of the property already taken. Their efforts ultimately proved in vain. In 1850, having managed to proceed no further with matters, the directors were forced to place £2,000 in the contingency fund to meet the losses sustained by Popes & Co. In June 1852, the company were declared bankrupt and the bank agreed to accept £500 in partial settlement of Pope's affairs. In this instance, not only were there problems surrounding the legal acquisition of the security but there were also difficulties concerning its value to York City given other creditors' claims upon it. A number of other claims by York City on land security were resolved in an equally unsatisfactory manner, while debts successfully recovered were generally done so over protracted time period. As Pressnell found, the use of land security 'in many cases...proved to be unwise.'[70] However, in the absence of a range of securities, particularly during the bank's early years, loans were made upon securities which management would probably have balked at a few years later.

Other forms of security were also taken from borrowers to insure their debt as appendices 5.4 and 5.5 show. However, despite their varied character, branch managers at York City were still, it would seem, satisfied to accept personal guarantees as a reliable means of cover. Tenant farmers in particular could rely on their landlords to act as guarantors. For example, Joshua Birkett, a farmer at Howden, was considered 'safe for £250' since he was a 'respectable tenant of Thomas Clarke Esq'. Similarly, fellow farmer, George Eland of Laxton, near Howden, could count amongst his securities the fact that he was 'a tenant of C. Broadley Esq'. Other customers gave more formal guarantees. For example, Joseph Reader, a farmer at Willstoft, agreed to act as surety for Howden farmer, Joshua Hodgson, for up to £300. In the same way, William Walker, a corn miller

[69] *DMB* (Y3), 23 April 1849.

[70] Pressnell, *Country Banking in the Industrial Revolution,* p.298.

from Howden was covered for an undisclosed sum by the joint guarantee of his brother, John Walker of Hull, and horse-dealer, John Scholfield, of Flaxfleet.

During the course of the bank's history, a number of unlucky sureties were called upon to make good the debts defaulted upon by their assigners. A branch agent occasioned one such case. In 1852, William Smith, formerly a clerk at Selby and Malton, was appointed branch agent at Goole. Upon taking up his position, he borrowed £200 from the company to furnish the bank house at Goole. Mr Rose, a wine merchant at Malton, agreed to guarantee payment of the loan. Smith's management at Goole was short lived, however, and just two years later he was demoted to the position of clerk, back at Selby. Shortly after, he left the bank, his loan of £200 was still outstanding. In 1857, his guarantor, Rose, was called upon to discharge the debt, plus interest accrued, in the absence of any repayment by Smith.[71] While Rose was, no doubt, more choosey about who he guaranteed in the future, from the bank's point of view, the security thus given had proved reliable since they were able to recoup their losses. However, the acceptance of personal security was at best discretionary and, as such, was 'a corollary [of loans made] without collateral or security'.[72] As George Rae noted in his comprehensive series of letters on securities, 'a personal guarantee, however safe the guarantor may be at the time of its date, offers a less stable form of cover to a bank than the collateral security of shares or other property, because the position of a surety may change for the worse without your knowledge'.[73] Moreover, he estimated that a division of ten of their nominal value would be their approximate worth if called upon. This being the case, he advised, 'the question is not what you can actually and ultimately squeeze out of a man, but what he can conveniently, and without difficulty, pay on demand.' That, he concluded, was 'the measure and the extent of his eligibility as a surety'.[74] While joint-stock banking remained so localised, however, advances continued to be made on what might be judged shaky security, by modern standards, by branch managers who, essentially, had to rely on their own judgment as to the means and character of borrowers when lending out the bank's money.

[71] *DMB* (Y5), 10 May 1852, Y4; 30 March 1857.

[72] Pressnell, *Country Banking in the Industrial Revolution*, p.303.

[73] Rae, *Country Banker*, pp.93-4.

[74] 'Letters to a Branch Manager', *Bankers' Magazine*, June 1849.

In fact, despite Rae's criticism of lending on personal security or, indeed, without any security at all, it should be remembered that the advice he imparted was based on decades of experience which, by the mid-nineteenth century, was just coming to fruition. Although the joint-stock bankers of the 'thirties and 'forties were pioneers of the modern system, their approach was still tempered by the old system. In this way, the continued parochialism within joint-stock banking, up until the 1860s, meant that the system remained fragmented, and bankers were forced, therefore, to work within local bounds, where character in itself was a security. It is under these circumstances, then, that the conduct of York City's management, especially during the first two decades of business, must be understood.

CHAPTER 6

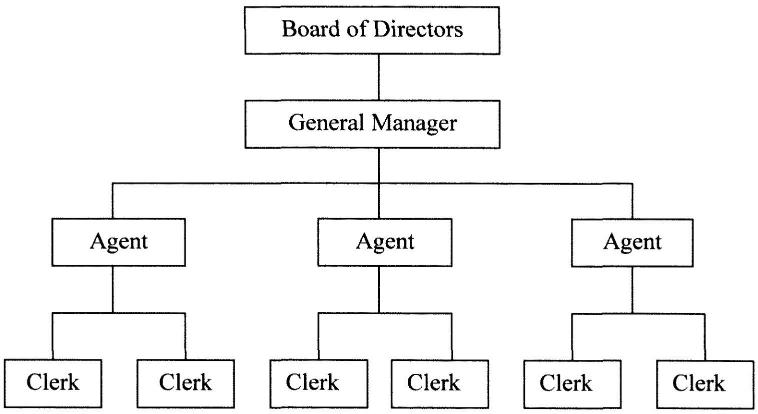
BANK STAFF: RECRUITMENT, RETENTION AND CONTROL

A principal concern for the management of any bank being established, particularly those (like York City) intending to branch straight away, was the recruitment of competent staff. Thus far the history of the 'men on the banker's side of the counter' has been largely neglected and, as a result, evidence on recruitment, salaries and codes of conduct remains scanty.[1] York City's board minute books shed some light on these issues but unfortunately the information is patchy and much has to be assumed or extrapolated. While the minutes are quite detailed with regard to the appointment and conduct of branch managers, or 'agents', they are less so in their discussion about bank clerks. Sketchy details mean that it is often difficult to ascertain precisely employment duration, inter-branch transfers and salary increases. Nevertheless, a broad picture of the bank's staff over a 40-year period has been compiled from which much can be discovered.[2]

The positions of those working for the bank up until the early 1870s conformed to the following hierarchy:

[1] The most comprehensive survey on bank staff during the nineteenth-century can be found in R. S. Sayers, *Lloyds Bank in the History of English Banking*, (1957), Ch. 3; Salaries are discussed (albeit with regard to Scottish banking) in H. M. Boot, 'Salaries and Career Earnings in the Bank of Scotland, 1730-1880', *Economic History Review*, XLIV, 4, (1991), pp.629-53.

[2] An attempt has been made to compile a list of all employees and their length of employment with the bank at each branch between 1830 and 1872. See Appendix 6.1.



The Board of Directors

At the highest level sat the board of directors, a group of wealthy, influential individuals, responsible for the conduct of the business and, until 1883, the liabilities of the bank. Qualification for the board required an individual to be 'resident in York or its immediate vicinity' with a holding of '50 shares and upwards' in the company.[3] In other words, affluence, local influence and social standing were just as important as (and of course inextricably linked with) business acumen, although as George Rae warned: shareholders would do well 'to have as few amateur financiers on the Board at any one time'.[4] The directors that served on the York City's board during its first phase of development (listed in table 6.1) came from a variety of backgrounds; the first directorate comprised names of importance in the pioneering of railway building, joint-stock banking and (York's acclaimed) confectionery industry. Such was the general nature of bank directorates as one 'retired branch manager' observed in a letter to the *Bankers' Magazine* in 1850. 'Noone can look over a list of directors in the majority of Joint Stock Banks' he wrote, 'without being struck with the incongruous nature of the materials of which it is composed'.

[3] Resolutions passed at the General Meeting of the Shareholders, January 1830, (Y48).

[4] George Rae, *The Country Banker*, (1885), p.292.

Table 6.1 Directors of York City & County Bank, 1830-1870

Director	Predecessor	Term	Reason for end of term	Managing director	Chairman
Thomas Price		1830-1856	Deceased	1830-1856	1830-1852
Thomas Backhouse		1830-1845	Deceased	1830-1845	
Thomas Barstow		1830-1849	Resigned		
Thomas Laycock		1830-1846	Disqualified by sale of shares		
Col. Harry Croft		1830-1845	Disqualified		
Benjamin Hornor		1830-1836	Deceased		
Robert Waller		1830-1846	Disqualified by sale of shares		
James Meek	Benjamin Hornor	1836-1862	Deceased	1845-1862	1852-1862
George Champney	Col. Harry Croft	1845-1851	Resigned to allow smaller board		
Faville James Copsie	Thomas Backhouse	1845-1847	Deceased		
William Richardson	Robert Waller	1846-1870	Retired		
Caleb Fletcher	Thomas Laycock	1846-1864	Deceased		
George Townsend Andrews	Faville James Copsie	1847-1850	Disqualified due to bad debts		

Robert Williamson	Thomas Barstow	1849-1864	Deceased	1851-1864	1863-1864
Thomas Barstow (2nd term)	Thomas Price	1856-1868	Deceased		
Sir James Meek (jnr.)	James Meek	1863-		1863-	1864-
Walter Sellon Gibson	Caleb Fletcher	1864-1865	Resigned within weeks		
Edward Hotham Newton	Robert Williamson	1864-		1864-1866 1869-	
Caleb Williams	Walter Sellon Gibson	1865-1865	Resigned		
David Hill	Caleb Williams	1865-		1866-	
John Harrison Thomas	Thomas Barstow	1869-1871	Deceased		
John Francis Taylor	William Richardson	1870-			
William Wilkinson Wilberforce	John Harrison Thomas	1872-			

From 1851 - less directors but 3 three managing directors instead of two.

<u>Managers</u>

Robert Barnes	1830-1851
Edward Smallwood	1851-1873
William Wilberforce Morrell	1873-

In his experience,

> 'One director is chosen because he is a man engaged in active business on his own account, and is supposed to know what is going on in commercial circles; another is elected because he is *not* in business, and is therefore free from rivalry of trade and the temptation to speculate. One man is chosen because he has passed all the best years of his life in India or Van Dieman's Land; and another gentleman is elected because he happens to be a Member of Parliament, or the distant relation of some railway potentate'.[5]

He concludes from this that:

> 'Out of a dozen directors we find three, perhaps, who are really the managing men of the concern, who give the time and attention required for their onerous duties, and who accordingly are in reality the board of directors - the remainder are simply a salary-receiving board, who acquiesce in whatever their working brethren propose'.[6]

While the tone of the letter, written by a one time subordinate of 'the board', is deliberately critical, it is impossible not to draw parallels with the way in which the York City's affairs were conducted, particularly during the first fifteen years of its existence.

The directors were necessarily a disparate group. Drawn from key areas of civic life, social standing was crucial to the development of the bank at a time when potential customers had to be persuaded to entrust their savings to the rash of 'new' banks, and the banking system had to rely on personal connections rather than impersonal market evaluations to overcome information asymmetries between borrowers and lenders. The accounts and transactions of the customers were known only to two designated 'managing' directors - Thomas Backhouse and Thomas Price - Price also being elected to chair the weekly board meetings. For

[5] *Bankers' Magazine*, March 1850.

[6] *Ibid.*

their 'active exertion on behalf of the company'[7] the managing directors received remuneration, the sum of which varied from year to year (see table 6.2).

Table 6.2 Directors' annual remuneration, York City & County Bank, 1830-1872[8]

Year	Amount allowed to (£)		Year	Amount allowed to (£)	
	Managing Directors	Ordinary Directors		Managing Directors	Ordinary Directors
1830	300		1850	800	200
1831	150 (each)		1851	1,050	200
1832	250 (each)		1852	1,050	200
1833	550 (each)		1853	900	200
1834	250		1854	900	200
1835	600		1855	900	200
1836	600		1856	600	300
1837	600		1857	800	300
1838	600		1858	800	300
1839	600		1859	800	300
1840	600	100 (each)	1860	800	300
1841	600		1861	800	300
1842	800		1862	800	300
1843	800		1863	800	300
1844	800		1864	800	300
1845	800		1865	800	300

[7] General Meeting of the Shareholders, January 1830, (Y48).

[8] 1830-1850: 2 managing directors; 5 ordinary directors = 7 directors
1851-1855: 3 managing directors; 2 ordinary directors = 5 directors
1856-1867: 2 managing directors; 3 ordinary directors = 5 directors
1868: 2 managing directors; 2 ordinary directors = 4 directors
1869-1872: 3 managing directors; 2 ordinary directors = 5 directors
Source: *Directors' Minute Books* (*DMB*), York City & County Bank, 1830-1872 (Y1-Y7)

1846	800		1866	800	300
1847	800	500	1867	800	300
1848	800	500	1868	800	300
1849	800		1869	800	300
			1870	1,200	200
			1871	1,200	200
			1872	1,200	200

The ordinary directors had to wait until 1840 for a similar payment when they were presented with £100 each 'as an acknowledgment of their important services to the Company during the last 10 years'.[9] Excluded from this bonus was Robert Waller who was refused the sum voted to him and interviewed by one of the managing directors to see whether he intended to resign his seat on the board. Although specific reasons for this rebuff are withheld, it suggests that the ordinary directors (despite being paid proportionally less and on a more infrequent basis than the managing directors) were still 'directors' of the bank and as such were expected to promote actively the company's interests in addition to (or indeed at the same time as) pursuing their own business interests.

Of the seven directors elected, a minimum of three was said to constitute a board. During the first ten years, attendance by the ordinary directors at the weekly board meetings was patchy; on average, each ordinary member attended six out of every ten meetings - significantly less than the two managing directors who averaged a 90 per cent attendance rate - with absences in their case often being due to bank-related business. From 1847 (with the exception of 1849), the ordinary directors were remunerated for their services on an annual basis - a clear indication that more was required than just being an elected shareholder. Although nothing was recorded in the minute books, Robert Waller's rebuke in 1840 was surely an indication that the nature of the *entire* board's duties was to change.

Colonel Croft was the board's worst attendee; between 1830 and 1840, his attendance averaged just one visit every four to five weeks, although in reality he tended to spend long spells away from the weekly meetings, visiting once or twice in quick succession and then seemingly disappearing again. Indeed, his longest absence totalled 48 weeks between 1838 and 1839. It is surely no coincidence, then, that during the four short years between 1845 and 1849 - the years immediately preceding the start of regular payment for ordinary directors - that four members of the original directorate (Barstow, Croft, Laycock and Waller) either resigned their seats or disqualified themselves by disposing of their shares (see table 6.1). Whether it was suggested they step down or they themselves decided that increased commitment to bank affairs was insupportable remains unclear. What is certain is that the board received, what Rae describes as, an

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9 AGM, *DMB* (Y2), 30 January 1840.

injection of 'fresh blood' during the late forties.[10] Unlike their predecessors, the next generation of directors became 'regulars' at the board - albeit in smaller number from 1851, when the deed of settlement was altered to allow a reduction of the board from seven to five, with up to three (but not less than two) acting in a 'managerial' capacity. This was achieved through the disqualification of George Townsend Andrews the previous year owing to the state of his financial affairs, and the stepping down of George Champney who 'handsomely placed his resignation in (the board's) hands'[11] to allow the alteration to take effect. This arrangement was maintained (with the exception of 1868 when the board numbered just four following the death of Thomas Barstow) until 1875 when the deed of settlement was altered again to allow the appointment of two additional directors (following the exponential increase in business after about 1870) and again in 1894, when a maximum of twelve directors could be elected to the board.

Since most of what is known about the bank's week to week business is written in the directors' minute books (in effect, a record of what the directors *did*), there is little, if anything, written *about* the directors and how their decisions were viewed by, and affected their subordinates. In this respect, the *Bankers' Magazine* again comes in useful by providing clues as to the relationship between those at the branch and those on the board. Most of the letters written to the journal on the subject of directors' duties were necessarily anonymous; a signed letter would have been as fatal to the author's career as telling the board directly where they were lacking. In a series of letters on joint-stock bank management, published in 1850, a 'retired branch manager' used the forum to 'inform directors and the leading officers of Joint-Stock Banks, as well as shareholders, *of the state of opinion existing amongst Branch Managers* respecting the management of a bank; and to point out some of the errors and mistakes committed by Directors; inflicting injustice on the subordinate officers of their establishments, and damaging the interests of their proprietors'.[12] His discussion drew attention to several areas of 'disagreement in practice', including the salary question (referred to later), the need for checks to be made (preferably by external persons) of the annual balance sheets and the lack of personal knowledge, on the part of the directors, about their

[10] Rae, *Country Banker*, p.291.

[11] AGM, *DMB* (Y4), 30 January 1851.

[12] *Bankers' Magazine*, March 1850.

principal officers. In short, he described them as a powerful yet aloof body, who reaped the generous rewards of healthy business, the lion's share of which was generated by an industrious group of individuals (the branch managers) with whom the directors could not even be bothered to make their acquaintance. The letter writer concludes by voicing another gentleman's opinion that 'it was easy to manage a *bank* but very difficult to manage a *branch*' adding 'but I must confess, that the difficulty of managing a board of directors exceeds all other difficulties of bank management; and it is the branch which I should be the least desirous of undertaking'.[13]

Whether the view of a disgruntled ex-branch manager or a genuine representation of 'the board' remains unclear. However, in York City's case, although most branch business was relayed to the directors via the general manager[14], in the absence of a branch inspector, much of the responsibility for overseeing bank business, not just at the head office, but at the branch level also, lay in the directors' hands. Between 1841 and 1851, the managing directors kept a 'Branch Minute Book' which was used to record their visits to each of the branches. For example, following his inspection of the Boroughbridge branch in May 1841, Thomas Price remarked that he did not consider the bills and promissory notes to be as satisfactory as he would have wished. Three months later, following a second visit, he reported an improvement, noting that 'the bills and promissory notes are in a better condition than when I was last here'.[15] Similarly, upon visiting the Goole branch in 1846, James Meek 'called [the agent] Mr. Lister's attention to the character of Messrs. Pope & Co.'s account'. Evidently keeping an eye on the situation, he reported, after visiting Goole a second time, that there continued to be 'problems with...Messrs. Popes matters'.[16] Thus, if the 'ex-branch manager's' assertion (in his correspondence to the *Bankers' Magazine*) that 'in nineteen cases out of every twenty the directors knew nothing whatever of their officers *personally*'[17] is accepted, it would be fair to say that the York City was

[13] *Ibid.*, p.132.

[14] as evidenced by a series of letters written between Robert Morrell, agent at Selby, and Robert Barnes (and later Edward Smallwood) the general manager.

[15] *Managing Directors Branch Minute Book* (Y52), 28 May 1841; 21 August 1841.

[16] *Ibid.,* 14 November 1846; 4 June 1847.

[17] *Bankers' Magazine*, June 1850.

something of an exception. Given the problems of control experienced by other early branchers in Yorkshire and indeed further afield - Northern & Central Bank of England being a case in point (see chapter 2) - it is reasonable to assume that the York City's strategy of establishing a *modest* branch network, kept, at least for the first phase of its development, under the close scrutiny of the managing directors (in conjunction with the general manager) meant that weaknesses (often stemming from, and then being masked by, branch networks) such as mismanagement or fraudulent behaviour could be quickly identified and nipped in the bud. York City experienced its fair share of inefficient and, in some cases, downright disreputable staff, both at clerical and managerial levels, yet in no instance were things allowed to get out of hand and certainly not to reach the point where the bank's very stability was threatened.

Despite the managing directors' seemingly 'hands on' approach, it was important, pointed out George Rae[18], that branch managers remained respectful of the board, reminding them that attempts at familiarity or use of wit were inappropriate when addressing their superiors. In particular, correspondence with the head office should be confined to the English language. 'There is no visible relation' explained Rae, 'betwixt currency and the classics' adding that 'in matters so peculiarly British as pounds, shillings, and pence, the British language is indubitably the best medium of communication'. Neither was it acceptable to introduce jests into matters of business, since this smacked of a degree of familiarity and license which could hardly have been supposed to exist between the board and an officer. 'A board of directors' wrote Rae 'is naturally a grave and deliberate body. It is not addicted to *facetiæ*. It is neither witty in itself nor (wittingly) the cause that wit is in other men. Its business is with realities...none of them so trivial as to be dismissed with a jest. To fancy the Bank parlour "in a roar" requires a painful effort of the imagination'.[19] However, it was not that the individual directors were necessarily dull qualified Rae. It was just that when a person entered the board-room his individuality became lost - it 'merges in the collective capacities of the direction'. It thus followed that what a man often appeared to do as a director, he would not necessarily do as an individual hence the solemnity of the board room; for 'it is not' concluded Rae 'an enlivening thought

[18] writing under the name of 'Thomas Bullion' in a series of letters to the *Bankers' Magazine*.

[19] *Bankers' Magazine,* March 1847, p.351.

to sit under the constant dread of being out-voted, and so rendered responsible for a decision which individually you may oppose and denounce'.[20] And, finally, if the board found reason to reproach an officer for whatever reason, under no circumstances should he reply with a 'ring-tailed roarer' of a letter; better to accept criticism and learn from it - unless, of course, dismissal was the desired end!

The General Manager

If the (lower ranked) officers of the bank knew the board but as a name, it was the general manager they knew in actuality. Operating at the next level below the directorate, he presided over the branches as well as the central office at York, representing, what might be described as, the first true 'member of staff'. In short he was the 'principal single officer in a bank'.[21] His authority, although not equal to that of the board of directors, was greater than that of any single director, and for this reason, states the *Bankers' Magazine* emphatically: 'he is the bank'.[22]

Unlike the directors, qualification for the position of general manager depended on past experience. York City's first general manager was Robert Barnes of York who had previously served at the private banking house of Messrs. Brown in Leeds. Upon his retirement in 1851 after 21 years service, his successor, Edward Smallwood (and each subsequent occupant of the position) was appointed from within the bank. Smallwood was one of the founder members of staff, engaged in 1830 as third, or 'junior', clerk at York. He remained at York for 21 years,[23] succeeding Barnes in 1851. His tenure was equally lengthy; after 21 years in a managerial capacity and 42 years total employment with the bank, his retirement created a suitable opening for the dynamic skills of William Wilberforce Morrell whose appointment as general manager in 1873, coupled with the opening of the Middlesbrough branch two years earlier, proved pivotal in the bank's subsequent development.

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[20] *Ibid.*, p.352.

[21] *Ibid.,* March 1854, p.372.

[22] *Ibid.*, p.375.

[23] Although he remained at Head Office, Smallwood to Robert Morrell (agent at the Selby branch) in 1844, discussing a debt they were anxious to recover, suggests that Smallwood's duties at York included liaison with the other branches - an advanced level of responsibility for a 'clerk'.

The duties of the general manager are not made explicit, but his position was clearly one of intermediation between the staff and customers on the one hand and the board of directors on the other. Since the board could only give a limited degree of attention to the business before it, 'its action as being collective is necessarily somewhat cramped' explained the *Bankers' Magazine*, and individual directors had no individual authority, the general manager was 'completely behind the scenes' with 'the whole routine under his eye, in all its parts'.[24] In short, summed up the *Bankers' Magazine* 'this high functionary is the central pillar of the management of the bank'.

Letters written by Robert Morrell, the branch manager at Selby, show that business matters were usually addressed in the first instance to the general manager who then laid this information before the board. In this way he acted as chief advisor to the directors - their judgment relying extensively on his opinion and advice. It was essential, therefore, that his banking knowledge and experience exceeded that of the directors. Moreover, in laying the facts before the board, it was important that he presented each case to them 'in the clearest, simplest form, divested of unnecessary facts and verbiage...in their essentials'.[25] Since many proposals from customers and branch managers were made in somewhat unrefined terms, it was the duty of the general manager to ensure each premise was clearly stated, since 'he will in many cases' reported the *Bankers' Magazine* 'without a word of formal advice, lead the directors towards what he thinks a right conclusion, by the shape and terms in which he states them'. The importance of the general manager in relation to the board of directors is hence clear given that 'the initiation of all the business that is laid before them rests with him'.[26] The same was true in terms of the bank's staff. Although the board was ultimately responsible for appointing staff, the general manager was relied upon to recommend suitable persons for vacant positions. Similarly, his knowledge of each branch manager's capabilities and the measure of confidence he could place in their judgements was fundamental to the functioning of the business since the success of the bank depended on the conduct of those at the branches.

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[24] *Bankers' Magazine,* July 1854, p.374.

[25] *Ibid.*, p.373.

[26] *Ibid.*, pp.373-4..

It was further recommended by the *Bankers' Magazine* that aside from a capacity for business, the 'model' general manager ought ideally to be married since 'a married man has in his own experience a knowledge of humanity far beyond that of an individual who remains single all his days'. Moreover, he should be a religious man in that 'he acts and thinks habitually under a strong sense of religious and moral obligation, exhibited rather in his character, temper and actions, than loudly expressed to the world'. The foregoing qualities, it concluded, should appear in the 'first-rate general manager'.[27]

Branch Agents and Clerks

At the level of the bank's office worked the agents who administered the branches and the clerks who acted under the superintendence of the agents. In accordance with Green's observation, the staff structure at the York City was typical of banking in the mid-nineteenth century: labour-intensive, with 'large numbers of clerks under the supervision of a relatively small band of managers and chief clerks'.[28] In effect, no form of 'middle-management' was envisaged; it was not until 1875 that a secretary, a branch inspector, a sub-manager (to assist the general manager) and an auditor were appointed to the bank.[29] The opening of five branches within three years meant the bank had to recruit a number of agents and clerks quickly from what was a relatively small pool of experienced labour. As Sayers notes, this was no easy task: 'when new banks or branches were being established here, there and everywhere, without an existing cadre to draw upon, there was no such obvious way of finding managers and other superior officers'.[30] In York City's case the first generation of agents (listed in table 6.3) were either 'poached' from other banking houses or retained as part of those establishments acquired during the bank's first branching phase.

[27] *Ibid.*, pp.376-7.

[28] Edwin Green, *Debtors to their Profession. A History of the Institute of Bankers 1879-1979*, (1979), pp. 4-5.

[29] AGM, *DMB* (Y8), 20 January 1876, was the first mention of a secretary, inspector, sub-manager and auditor.

[30] Sayers, *Lloyds*, p. 63.

Table 6.3 Agents, York City and County Bank, 1830-1872

Name of agent, branch and year branch established (permanently)	Period of employment as agent	No.of years as agent	Experience at other banking houses prior to YC & CB	No.of yrs previous experience at YC&CB	Starting salary as new agent (£ p/a)	Reason for leaving post
Boroughbridge (1833)						
John Matthew DRAGE	1833-1838	5	Fletcher, Stubbs & Co.	-	250	Deceased
Robert WIRELL	1838-1844	6		-	500	Dismissed
Mark MOUNTAIN	1844-			3		
Goole (1838)						
Thomas CLOUGH	1832-1838*	6	Scholfield & Clough	-	500	Goole became branch with full-time agent
Francis LISTER	1838-1852	14		7		Dismissed
William SMITH	1852-1854	2		12	200	Discontinued as agent; became clerk
John Humble ROCKETT	1854-	22		9	200	
Howden (1831)						
Thomas CLOUGH	1831-1868	37	(See above)	-	500	Retired
Edwin STORRY	1868-			16		

Malton (1830)						
Bartholemew Thomas WILKINSON	1830*		Wentworth & Co.	-	150	Became permanent agent at Scarborough
Benjamin COLLINS	1830-1837	7	Bower & Co.	-	150	Resigned; changed family circumstances
John SMITH	1837-1870	37		-	200	
Edward MORTON	1870-1872	2		10	250	
Thomas CLOUGH (Jnr.)	1872-	8		27	250	
Middlesborough (1871)						
Edward KIRBY	1871-			29	400	
Ripon (1838)						
William FARRER	1838-1842	5	Farrer & Williamson	-	200	
Robert Mark HARVEY	1842-1845	3		9	300	Dismissed from Co. in 1846
William KENDALL	1845-1848	3		-		Dismissed
Mark MOUNTAIN	1848**					
John Clough SMALE	1848-1871	23		11	200	
W. Gatenby	1872-			-	150	
Scarborough (1832)						
Bartholemew Thomas	1832-1833	1	(See above)	2	200	Resigned to join York Union Bank

WILKINSON						
Robert WILLIAMSON	1833-1845	12		-	150	
John LECKONBY	1845-	28		8	200	
Selby (1831)						
Bartholemew Thomas WILKINSON	1830-1831*	1	(See above)	-	150	Became permanent agent at Scarborough
Robert MORRELL	1831-1868	37	Private Bank, Selby	-		Deceased
William Wilberforce MORRELL	1868-	5		16	300	Became general manager of YC & CB
Whitby (1843)						
W. H. CRAMP	1843-1851	8	Yorkshire Agricultural & Commercial Bank	-	200	Dismissed
Christopher RICHARDSON	1851-1869	18	Richardson, Holt & Co.	8	300	Resigned; ill health
Edward KIRBY	1870-1871	1		28	260	Became manager of M'bro' branch
George F. CUMBERLAND	1871-	2		6	150	

* Agency attendance

** Mr. Mountain attended the Ripon branch - following Mr. Kendall's suspension and subsequent dismissal - pending a replacement agent.

YC & CB = York City & County Bank

The branches at Selby, Howden, Boroughbridge, Ripon and Whitby owed their formation to private banks which either failed, creating vacancies, or relinquished their business in favour of York City. In each instance one or more members of staff from the preceding firm were retained to manage York City's new branch. The failure of Wentworth & Co. in 1826 not only created an opening for the formation of the new bank but it also furnished the York City with its first agent, B. T. Wilkinson. Initially employed as 'second clerk' (under Robert Barnes the 'managing' clerk or 'general manager') at York, Wilkinson also attended the nearby towns of Malton and Selby on market days to transact business until permanent branches (and thus permanent agents) were established there. The job of managing these particular branches was assigned to men of *local* banking experience and it was not until the opening of the Scarborough branch in 1832 that Wilkinson was afforded his first permanent position in branch management.

The failure of Scholfield & Clough in 1831 provided further opportunity for staff acquisitions. Having capitalized on the private firm's demise, business commenced almost immediately at Selby and Howden under the superintendence of Robert Morrell and Thomas Clough respectively, described as 'gentlemen who with high respectability of character combine competent knowledge and many years experience in banking'.[31] The first agent at Whitby also came as part and parcel of a bank failure, this time of a joint-stock bank. Upon its collapse in 1843 Yorkshire Agricultural and Commercial Bank offered its premises at the seaport town to York City. The bank house was purchased and W. H. Cramp, the former agent of the Agricultural Bank was employed to manage the new branch. Staff were also employed from those firms which were handed over to York City. When Fletcher & Co. retired in 1833 disposing of their business at Boroughbridge, not only did York City gain John Drage the principal clerk for 20 years of the private house to manage the branch, but the same clerks and premises as well. Similarly, business commenced at Ripon in 1838 in the premises vacated by Farrer & Williamson under the care of William Farrer, one of the partners of the old bank. The absorption of the business of Richardson, Holt & Co. at Pickering and Whitby also yielded experienced staff. The business purchased from the private house added to that acquired at Whitby from the fall of the Agricultural Bank and Christopher Richardson, manager of the old bank, was engaged as a clerk at

Whitby where he remained for eight years, succeeding Cramp as agent to the branch in 1851. Thus in pursuing a largely opportunistic branching strategy, seizing upon vacancies created, York City not only gained the annexed firm's business but, by retaining key members of staff familiar with banking practice, the customers and the nature of the local economy, solved its own personnel problem by doing so.

Other officials were 'poached' from rival establishments. The opening of a permanent branch at Malton in 1830 necessitated the employment of a local banker, conversant with the needs of the town and its inhabitants. Three private firms had transacted business at Malton prior to the 1825 crisis: Hague, Strickland & Allen which suspended payment in 1825; Pease, Dunn & Co., which disappeared from records after 1823; and Bower & Co. which, despite an extensive note issue, survived the panic becoming one of the few private banks (later known as Beckett & Co., East Riding Bank) to survive into the twentieth century. It was from the latter that Benjamin Collins was drawn. Having served sixteen years at the banking house with probably little prospect of career advancement within the private firm, he engaged himself with York City to manage the Malton branch. The poaching of staff, however, was a two-way affair. The pool of suitable labour was comparatively small in the face of a rapidly mushrooming sector and as Anderson noted 'the poaching of staff, who might take business and customers with them when they moved, was part of the keen competition between banks'.[32] Just as York City resorted to the poaching of staff from other establishments, so too did other banks in the locality, meaning that several of the York Bank's employees were lost to competitors. The first employee to defect was B. T. Wilkinson. After just nine months at Scarborough he tendered his resignation 'to offer himself as chief clerk to the new banking company in York'.[33] The new company was York Union Bank, set up in York in 1833. In response to the formation of this rival establishment, aware of the potential implications it had for business and staff, York City sent a letter to shareholders calling their attention to clauses of the deed of settlement making their support of such a project liable to penalty. It read:

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[31] AGM, *DMB* (Y1), 23 February 1832.

[32] Gregory Anderson, *Victorian Clerks*, (1976), p.24.

[33] *DMB* (Y2), 18 February 1833.

> '...several of the partners of the company have engaged in the formation of a new Banking Company to be established in York...any partner acting contrary to the interests and advantage of the company will render himself liable to the payment of the prescribed penalty...'[34]

Two weeks after the letter was circulated, Wilkinson tendered his resignation. As a partner in George Hudson's new bank the financial rewards were undoubtedly more than the York City could pay with a salary later recorded at £1,000 per annum, a far cry from the agency wage of £200 received at Scarborough. However, given his subsequent history at York Union (discussed in chapter 5) culminating in the revelation that he had 'run his bank in the way his master [Hudson] ran his railways and his city'[35] the decision to leave York City in 1833 must have been a source of regret long after his ejection not only from the bank but from civic life.

Yorkshire District Bank, set up a year after York Union, was also on the lookout for staff and more so given its ambitious plans for extensive branching. The first member of staff to be lost to the new company was William Hewby, a junior clerk from head office. Three years into his clerkship he was dismissed 'having clandestinely engaged himself to the Yorkshire District Bank'.[36] Inducements such as salary increases were one way of preventing staff from being poached. In March 1835 it was proposed that Francis Lister (assistant to Thomas Clough at Howden) should have his annual salary increased by £100 as he had been approached to manage the branch of Yorkshire District Bank about to be established at Howden. This would have taken his salary to £300 per annum, an increase in excess of the usual rise received by clerks. It was ultimately resolved that £50 extra per year be granted to Lister who subsequently remained with York City for a further seventeen years (becoming the first agent at the Goole branch in 1838) before his dismissal in 1852. It was not just local banks that did the poaching. In 1855 J. C. Parkinson, a clerk at Malton, found new employment at

[34] *DMB* (Y2), 4 February 1833.

[35] A. J. Peacock and David Joy, *George Hudson of York*, (1971), p.70.

[36] *DMB* (Y2), 9 January 1837.

the Inland Revenue office, while George Bainbridge, a junior clerk at Boroughbridge, resigned his post in 1859 in favour of Coutts & Co., London.

This information was recorded in the bank's minute books showing that the directors were aware of the problem and of individual cases. However, since poaching is, by definition, a furtive activity, the extent to which the directors (and the general manager) were aware of such movements at branch level is open to question. It is difficult, therefore, to gauge from the minute books how widespread this practice was. Documents surviving from the Selby branch suggest that more was going on than the directors realised (or else if they knew they did not record it). Unbeknown to the directors, Robert Morrell, the agent at the Selby branch, was approached by Yorkshire Banking Co. in 1846 to become their sub-manager at Leeds. Particulars are outlined in a series of letters written between John Howard of the Yorkshire Bank and Morrell. It would appear that Morrell was recommended for the position by James Audus, an important Selby resident, York City customer and shareholder and Chairman of the Yorkshire Banking Co. As an established customer of York City's Selby branch and man of high local rank, it is likely that Audus and Morrell sustained a congenial relationship. Given Morrell's experience and local knowledge, Audus clearly recognised a potential asset. However, in a letter to Morrell, John Howard (of Yorkshire Banking Co.) warned that 'Mr. Audus said he did not wish to appear in the transaction as he is a large shareholder in the City & County' illustrating the clandestine nature of the agreement and the repercussions that might be felt as a result. This aside, Howard added 'it will give him pleasure to see you with us as private partners' but, he advised, 'at present it would not be prudent for you to say anything but that you are coming as sub-manager the rest will follow agreeable to arrangement'.[37] In reply Morrell stated that he appreciated Audus' motives, claiming 'I am sure he would do nothing, but what was perfectly honourable'. Given the importance of the step, he requested 'a day or two now to consider of it' before giving a final answer.[38] The decision was made to remain with the York City at Selby. In a separate letter Morrell explained:

[37] Letter from John Howard (Yorkshire Banking Co., Leeds) to Robert Morrell (York City & County Bank, Selby), (Y104/4), 23 February 1846.

[38] Letter from Robert Morrell (Selby) to a representative of the Yorkshire Banking Co. (Leeds) (Y104/4), 24 February 1846.

> 'Since my return home I have been thinking the matter seriously respecting the YBCo. and I have after mature consideration thought it best not to offer myself as its manager, I have come to this determination not because I think myself inadequate for such an undertaking (for I doubt I could do at least as well as many of my contemporaries) but because I think the anxiety of mind, which would be inevitable on a right performance of such an undertaking, especially when I consider the number of important Branches that I think any salary, which might be given, would not compensate for the wear and tear both of body and mind consequent upon it.'[39]

It can only be wondered, therefore, what York City's fortunes would have been had Robert Morrell defected to Yorkshire Banking Co. Without the 'Morrell legacy' - in particular, the driving force of William Wilberforce Morrell, his son, during the bank's second phase of development - York City's post-1870 history might have read quite differently.

Unlike the agents, prior experience in a bank was not an essential prerequisite for new clerks. Although preferable, the recruitment of skilled clerks was a difficult task, particularly during the 1830s when joint-stock banking, at least, was in its infancy. Consequently, clerks were drawn from a variety of different backgrounds. The advertisement of a vacant post in local newspapers was one method. The vacancy created by Wilkinson's move from York to Scarborough in 1832 was announced in the *Leeds Mercury* and the *Hull Advertiser*. Three applicants were considered for the cashiers post: D. Horwood of Smith Bros. & Co., G. Hawksworth of Remingtons & Younges and William Gaskell of the Limerick branch of Provincial Banking Company of Ireland. The decision was made to select Gaskell in all likelihood because he had served his apprenticeship in Ireland where, like Scotland, the practice of joint-stock branch banking was longer

[39] Written in the form of a draught memo dated 20 January, 1846, it is unlikely that this 'rough' document was sent as a letter. As it pre-dates other letters on the subject, it suggests that Morrell agonised over the decision before reaching a conclusion. It also shows that further correspondence was written on the matter which has not survived, leaving an incomplete picture. (Y104/4). Morrell's personal papers show that he was prone to bouts of ill health including the recurring

established - a preference also identified by Sayers in his history of Lloyds Bank. Applicants interviewed for the newly formed West of England and South Wales District Bank included men from Provincial Bank of Ireland, Royal Bank of Scotland, British Linen Bank and Northern & Central Bank.[40] Despite the attributes Gaskell was selected for and the relatively high salary he received, his tenure at York City was short-lived. After just two years at York he resigned possibly dissatisfied with the limited scope for promotion in the short term given that he was shortly after appointed manager of the York branch of the newly formed (but ultimately ill-fated) Yorkshire Agricultural & Commercial Bank.[41]

Clerks without experience were often appointed from related professions or by way of familial connections. The potential for nepotism was stronger in the private houses where it was usual for the management of the business to remain in the hands of the same family. Conversely, the direction of joint-stock banks lay with the elected board of directors, but entry into the company could certainly be assisted by a positive testimonial from a relative already employed by the bank. For example, Thomas Clough's son entered the bank in 1845 and, after serving nine years at Selby and eighteen years at Goole, he was made agent at Malton following Edward Morton's death in 1872. Similarly, for forty-two years the Selby branch remained the exclusive domain of the Morrell family. Commencing business in 1831 under the supervision of Robert Morrell, his son, William Wilberforce Morrell, who entered the firm as a junior clerk in 1852, assumed control of the agency upon his demise. Other agents were also successful in getting their sons into the firm and onto the career ladder. Less successful in his progression through the ranks was William Smith, the son of John Smith (agent at Malton 1837-70) who was brought into the firm in 1838. As a junior clerk at the Selby branch his starting salary was relatively low at £25 per annum, perhaps reflective of his lack of experience. Within two years he was moved to Malton to work under his father (despite the bank's usually strict policy forbidding members

complaint of gout for which he travelled to Matlock to take the 'Water Cure'. It is little wonder then that he declined such a demanding position.

[40] Sayers, *Lloyds*, p. 64. West of England and South Wales District Bank failed in 1878 with some branches being re-opened the following year as Bristol and West of England Bank Limited, which was absorbed by Lloyds in 1892; see Sayers, *Lloyds*, Appendix 1 for more details on Lloyds' constituent banks.

of the same family to work at the same branch) where he remained for twelve years, moving on to manage the branch at Goole in 1852. His leadership there was short-lived; two years later he was 'discontinued' as agent and offered the position of clerk at Selby - in effect, the post he had held some fourteen years ago upon joining the bank. Apparently unsuited to management requirements (unlike his father) and no doubt embarrassed by this obvious back step, he exited the company shortly after.

It was also not unheard of for young recruits, in order to learn the trade and 'get a foot in the door', to offer themselves free of charge. For example, Robert Williamson who managed the Scarborough branch between 1833 and 1845 was permitted to introduce his nephew, unsalaried, to the branch to gain an insight into the nature of business transacted at branch bank. He did not stay with the bank however, either taking his newly acquired skills elsewhere or deciding against a career in banking.

The careful selection of suitable staff, their good credentials or family connections were not a barrier to malpractice on the part of an employee once in the firm and as Sayers notes of the constituent banks of Lloyds: 'there was sometimes careless handling of money, sometimes careless granting of loans, and sometimes downright fraud'.[42] In an attempt to prevent losses resulting from misconduct, each employee was required to name several guarantors or 'sureties' who were prepared to recompense the bank for any losses, up to an agreed limit, sustained by the individual during his employment by the bank. Security of £1,000 was required for clerks while agents were expected to be guaranteed for £5,000. These sums remained standard throughout the first phase of the bank's development with exceptions only being warranted on the grounds of increased or diminished responsibility within the post. For example, on his appointment from Provincial Bank of Ireland in 1832, William Gaskell was required to provide security for £3,000 - more than was normally required for a clerk - which, coupled with a relatively higher salary suggests that his duties carried more responsibility than the average clerk. The system did not, however, instill in employees a moral obligation to their guarantors and a number of unfortunate persons found

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[41] *Banker's Magazine*, January, 1845.

[42] Sayers, *Lloyds*, p.76.

themselves called upon to make good debts incurred by the reckless or indeed fraudulent behaviour of those they guaranteed.

During York City's formative years several of the branch managers proved to be unsatisfactory and, in some instances, altogether dishonest in their business dealings. The Boroughbridge branch was particularly unlucky in this respect. In August 1844 it was brought to the board's attention that the mode of business being conducted by Robert Wirill, the agent at Boroughbridge, was unsatisfactory. After a searching investigation, Robert Barnes, the general manager, confirmed that the branch was indeed being mismanaged. In particular he noted that 'bad' customer accounts had not been kept under appropriate control, drawing attention to one ill-fated example. Three years earlier a grocer and draper from Ripon by the name of Butterfield had applied to William Farrer (agent at Ripon, 1837-42) to open an account at Boroughbridge, proposing his father as a guarantee by bond for £400. However, he was, according to Barnes, 'a person of notoriously bad character' who had been 'long altogether destitute of property' thus clearly uncreditworthy. In August 1842, Butterfield Junior removed himself and his business to Great Ouseburn yet was 'desirous of having the banking account kept at Boroughbridge' - then owing £265. Upon investigation two years later it was revealed that he had become insolvent and in debt to the bank 'upwards of six hundred pounds of which more than 400 [would] be lost'. In Barnes' opinion 'this instance [was] a fair speciemen of the...negligent mode of doing business at Boroughbridge...'

Moreover, on the general business of the branch he found '...considerable discrepancies between the sums said to be the amount of Bills of Exchange in the case, the amount of sundry parcel of notes, and the amount of the notes of the branch on hand - and the sums these parcels actually contained'. The bills parcel was discovered to contain, amongst other things: a cheque of a customer for £500 of three years standing; a promissory note on which advances had been made but on which no interest had been received, bearing date in November 1837 (thus being beyond the statute of limitation) for £150; and an acceptance due in January 1843 which had never been presented for payment and which 'as far as regards the acceptor' claimed Barnes, was 'altogether worthless'. The sundry note parcel moreover was said to be largely made up cheques for money lent to persons doing business with the bank whose accounts were considerably and persistently overdrawn, and of cheques of the agent himself. The same was shown to be the case with regard to the notes of the branch. At the board meeting of 26 August (1844) Robert Wirill was accused of 'mismanagement, concealed advances to customers and misappropriation of money' and duly dismissed, his sureties being called upon to cover the losses thereby sustained. He was replaced by Mark Mountain, a clerk at Boroughbridge of some three years standing, whose subsequent management of the branch, in contrast to his predecessor, proved long and efficacious.

Prompted in part by the losses resulting from the mismanagement at Boroughbridge, and more seriously the economic crisis of 1847 which signified the end of the railway mania, it was impressed upon Barnes by the directors to 'forthwith get in advances made to certain parties and especially to those who are doing little or no business with the Bank'.[43] Furthermore, a 'code of directions' was drawn up in 1848 which laid down a strict criterion by which the future management of the bank was to be conducted:

Rules for the Management of the York City & County Bank and Branches.

1. That the two managing directors and the manager at York = a committee.

2. No account current to be opened, requiring an advance, without first being referred to committee. Also - accounts being opened with cash to credit also to be laid before committee. No account to be opened with merely bills unless they are Bankers Bills or have a banker's endorsement.

3. Each current account to have maximum overdraft limit fixed by committee (with or without security).

4. No loan of more than £200 to be made without consent of the committee, as in rule 2 where advances are required in opening any new account. Also - a return to be made in first week of each month from each branch of

[43] *DMB* (Y3), 6 September 1847.

the name, amount and date when lent to each party to whom such loans have been granted.

5. That a regular account of all bills be kept at York and laid before the committee at least once a week. Also - at each branch, manager to make return weekly of the name of each party / customer who may have under discount or placed to the credit of his / their current account Bills to the amount of £500 and stating amount in each case.

6. In case of insolvency / failure of any party owing bank money, such insolvency / failure to be laid before committee and then brought before board of Directors.

7. No advance or loan to be made to the manager or any of the agents / clerks without sanction of the general board of Directors.

8. No manager, agent, clerk to be accepted as a guarantee / surety to the Company for any advance or loan whatever.[44]

It was reported at the following AGM that the implementation of these more stringent regulations had 'fully answered their expectations' in terms of the general mode of conducting business.[45] The 'code' was not, however, a watertight guard against further staff misconduct. In October 1848, John Leckonby, a junior clerk at Ripon, informed the managing directors that the agent of that branch, William Kendall, had been 'guilty of falsifying the accounts and other irregularities in the conducting of business at the bank'. Upon substantiation of the claims Kendall was dismissed. Mark Mountain of nearby Boroughbridge temporarily took control of the branch at Ripon while a suitable replacement could be found meaning that in the short-term the Boroughbridge branch had to be shut except on Saturdays (which was market day) and on fair days. This situation persisted for a month until the appointment of John Clough Smale (previously a clerk at Howden for ten years) as the new Ripon agent.

[44] *DMB* (Y3), 14 February 1848.

[45] *DMB* (Y3), 19th AGM, 25 February 1849.

The involvement by various agents in shipownership, seen to impinge on bank business, also necessitated further dismissals. In 1851 W. H. Cramp, the manager at Whitby, was suspended pending a general investigation into his affairs. It was decided that the shares held by Cramp in connection with Stephenson & Barrick (local shipowners) be offered by the bank (as mortgagees to Stephenson & Barrick) to the shipowners. If they declined to purchase the shares, it was agreed that steps be taken to dispose of them either by contract or auction. One month later, Stephenson & Barrick attended the board to make arrangements for the settlement of Stephenson, Barrick & Co.'s account at Whitby. It was agreed that £2,000 be given for Cramp's interests in *The Mayflower*, *Columbine*, *Sedulaus* and *Hirunde*, mortgaged at the bank with a further sum of £5,500 to discharge any further claim against them on the late partnership account. This left a balance of £1,740 1s. 9d. to the debit of Cramp. In consequence, Cramp's unfortunate bondsman - Mr. Walker - was called upon for the dismissed agent's full security of £5,000.[46]

Just several months later it was discovered that Francis Lister, the agent at Goole, having made an advance of £1,620 on mortgage of a ship to a Thomas Fletcher, had 'taken as security in his own name as Exequtor of a deceased party' which the board deemed an 'irregular transaction'. Lister was ordered to transfer all the securities he held in the ship to the trustees of the bank and to repay the money as soon as possible.[47] Following suspension from his post he was dismissed some months later. In consequence, it was reported at the following AGM that Robert Williamson, the newly elected third managing director, was to 'give his special attention to visiting the branches at least quarterly' with Edward Smallwood accompanying him 'twice in the year to each branch to go through the whole of the accounts'[48] - a clear tightening-up of procedure, given the staff misdeeds of the preceding year.

The cases of Lister and Cramp also demonstrate that in the light of bank employment becoming a regular, full-time career, the bank required a corresponding level of commitment to bank business which included compliance

[46] *DMB* (Y4), 15 July 1851 - 17 November 1851.

[47] *DMB* (Y4), 6 January 1852.

[48] AGM, *DMB* (Y5), 27 January 1853.

with its rules. In Sayers words 'the closer attachment of the man to the institution was enabling the bank to insist upon more rigid standards of conduct both within and without the office'.[49] There was evidence of this in June 1852 when a general election looked likely. It was requested that, in the interest of the establishment, staff should 'exercise their election rights quietly and unostentatiously' with officers asked to 'refrain from taking an active part in the approaching election or in any election, whether parliamentary or local'. Furthermore, officers were asked to 'avoid taking any office in your towns, which will occupy your time and interfere with your attention to the duties of your branch'.[50] The reason for this was highlighted by George Rae's essay on the routine duties of branch managers: 'banking...does not lean to any sect in religion, nor incline to any side in politics' he explained. 'It deals with all sorts and conditions of men'. He warned, therefore, 'identify yourself...conspicuously with any sect or party, and succeed in setting half (the locality), every now and then by the ears, and defections from the number of your constituents will assuredly follow'.[51]

Sayers' study of the constituent banks of Lloyds also identified betting and smoking in the office as unacceptable behaviour, while Anderson's study of Victorian bank clerks singled out indebtedness and intemperance as areas for concern. Moreover, agents at York City were reminded in 1860 that they were not to join or become a member of any rifle corps. However, if that was considered dictatorial on the part of the directors, a thought should be spared for the employees of Northumberland & Durham District Bank who were informed in 1855 that moustaches were no longer permitted. 'All employees' stated the bank's directors 'who adorn their faces with a moustache [are ordered] to shave or resign'.[52] Given the strict dress code imposed at Northumberland & Durham, it is interesting to wonder what the directors would have made of one of Barclays' early clerks who, during his fifty years of dutiful service, wore, without fail, a 'long-flapped coat with large pockets; an embroidered waistcoat, reaching nearly

[49] Sayers, *Lloyds*, p. 75.

[50] *DMB* (Y4), 14 June 1852.

[51] Rae, *Country Banker*, p. 182.

[52] *Sunderland Times*, quoted in *The Times*, 20 November 1855, p.7, col.c.

down to his knees, with an enormous bouquet in the button-hole; a cocked hat; powdered hair with a pig-tail and bag-wig; and a gold-headed cane'![53]

Despite varying degrees of flexibility amongst banks regarding rules and regulations, the private conduct of clerks (and agents) at York City remained under the watchful eye of their superiors to prevent outside activities affecting their work within the bank. However, the nature of bank employment at all levels was spelled out explicitly in 1871, the board declaring that:

> 'in all future appointments of agents or clerks to any of the Branches of this bank the whole of the time of such agents or clerks shall be considered at the Service of the Bank and they shall not accept any other appointment or employment so long as they remain such agents or clerks'.[54]

[53] 'Banking and Financial Anecdotes', *Bankers' Magazine*, June 1865.

[54] *DMB* (Y7), 26 July 1871.

CHAPTER 7

BANK STAFF: THE SALARY QUESTION

In terms of status within the clerical class, bank clerks have been described as its 'aristocracy'[1], implying a correspondingly high rate of remuneration. However, the 'salary question' proved to be one of the most contentious aspects of labour relations, both at clerical and managerial level, within the banking sector during the mid-nineteenth-century.

The 'Salary Question'

Attention was drawn to salaries by the *Bankers' Magazine* in February 1845. It argued that bank clerks - given the level of responsibility they were expected to assume - ought to be paid a salary proportional to their duties. Although price would be determined in the labour market by supply and demand, it pointed out that the position of banker's clerk was very different from, say, a merchant or solicitor's clerk. He acted as 'confidential assistant' to his employer, performing duties which, in other occupations, were 'executed by principals alone'. This in itself, argued the magazine, called for a 'liberal scale of remuneration from the employer to the employed'; any banker, who obtained his clerks' services cheaply, was risking his own interest for the sake of a few pounds per year.[2] A reply, published a month later in the *Railway Herald* brought *agents'* salaries into the forum ensuring that the question remained topical. Indeed, it marked the beginning of what was to become a protracted debate on bank officers' salaries which continued unabated for over ten years.

'A bank cannot give high salaries to all' wrote George Rae, but 'it is not a wise policy to give insufficient salaries to any'.[3] Prudent advice, it might be argued, given that a bank had as much to gain from a fairly paid workforce as the individual worker himself. According to the *Bankers' Magazine* the policy of any well-run bank ought to guard against a hand-to-mouth existence for its officers since this encouraged pilfering and fraud. As shown, the York City did not escape

[1] F. D. Klingender, *The Condition of Clerical Labour in Britain*, (1935), p.3.

[2] *Bankers' Magazine*, February 1845.

[3] Rae, *Country Banker*, p. 168.

such behaviour. Between 1830 and 1870, five agents were dismissed for irregular transactions, ranging from the mildly inappropriate to the out-and-out fraudulent. However, aside from reporting their dismissal, no defence was given for their conduct. It is impossible to say, therefore, whether an impoverished lifestyle or plain greed (facilitated, in all likelihood, by the degree of autonomy afforded to agents in the management of their branches during the bank's formative years) prompted their actions. Evidence suggests the latter, given that Robert Wirill, York City's worst offender, earned a salary far in excess of any other agent at that time.[4] Nevertheless, the *Bankers' Magazine* maintained that low pay jeopardised safety. Furthermore, it argued, given the large amount of business clerks were expected to get through and the responsibility thus attached, mistakes were bound to occur. However, banks were not obliged to cover any consequent losses; this 'peculiar burthen' fell on the bankers' clerks. The following situation was described:

> 'A person brings a check to the teller in a bank and demands cash for it. The signature appears to be that of a highly respectable customer of the house, and the teller accordingly pays the amount. On enquiry, it turns out that the signature is a forgery, and the public supposes that the *Bank* must bear the loss. But this is a mistake. The unfortunate clerk who has paid the check must provide the amount, or if he does not do so, his securities will be called upon, and be obliged to pay it.'[5]

This again raised the question of safety. Since even the smallest error could cost the offending officer dear, attempts to hide the discrepancy would have been tempting. For example, overpayment of money by another customer would allow appropriation of the surplus to the loss incurred. 'Can either the banks themselves' asked the *Bankers' Magazine* 'or their customers, be safe under such a system as this?'[6]

The issue of safety was surely persuasion enough that officers ought to be adequately remunerated. However, just in case anyone was in any doubt, the point

[4] He earned £500 per annum between 1839 and 1844.

[5] *Bankers' Magazine*, February 1845.

[6] *Ibid.*, January 1846.

was underlined by a timely reminder in the ever-present *Bankers' Magazine* which pointed out that the *respectability* of a bank's officers, both in terms of manner and appearance, was essential in increasing custom - especially in the immediate locality where the branch manager and his clerks were very much the public face of the bank. Given that a bank's business relied largely on personal connections and business networks, it went without saying that association with the gentry and influential merchants in the district formed an intrinsic part of any branch manager's day-to-day duties. As such, appearance was everything. This was singled out as a point of importance by J. W. Gilbart in his *Practical Treatise on Banking* of 1849. 'An advance of salary' he wrote 'enables [an officer] to move in a higher class of society, and gives him a station and an influence which enable him to be useful to the bank, - then is such advance of salary - though entered in the books under the item of expenditure - an outlay of capital which is repaid to the banker with interest in the effect it produces - an outlay that becomes probably one of the most profitable of his investments.'[7] The advice was clear: if a bank officer, no matter how low down the scale of responsibility he lay, was to maintain the appearance of a gentleman, he had to be provided with the means of doing so.

The importance of an adequate salary in ensuring a respectable appearance was emphasised in a series of letters written by Robert Morrell, agent at York City's Selby branch (1831-1867). Morrell was not in the best of health during his tenure at Selby. His bouts of sickness were exacerbated by worry over the financial implications of educating his three children and 'sending them off into the world'. As Vernon commented in her study of the Morrell clan, 'the Morrells had to keep up appearances, and they were well aware of the fact. They did not live grandly. They kept no horse, they entertained very little and travelled less, but a certain standard of living was required of them.' Quite critically, she continued, 'their clothes had to be of good quality and they could never allow themselves to be seen in anything even faintly shabby. It would have been a reflection on the bank'.[8]

Between October 1845 and January 1846, Morrell attempted to gain employment for his eldest son, Robert, at the bank. The directors' continued refusal, coupled

[7] Quoted in a letter written to the *Bankers' Magazine* in November 1850 by George Rae (Thomas Bullion) on the subject of salaries.

[8] Anne Vernon, *Three Generations. The Fortunes of a Yorkshire Family*, (1966), p.62.

with the late arrival at the same time of a new clerk at Selby which forced Morrell to manage alone for a week, prompted him to offer his resignation. 'Mr Wood has not yet arrived' he informed the general manager, 'and I am alone, having got a situation for my son at Bradford, I hope you will get me some help soon.' A fortnight later he informed managing director, Thomas Price:

> 'Having made arrangements which I consider favourable to myself and family, after the most anxious and mature deliberation, I find it my painful duty to resign my situation as Agent to the Bank. I beg to assure you that in one sense it is with feelings of deep regret that I do so inasmuch as I have reason to feel thankful for the kind feeling which has always been exhibited towards me by the Directors and it is my earnest desire to impress upon them that it is with a grateful sense of their fast favors, that I relinquish the situation which I have so long had the honour to fulfil. Had my own comfort alone been held in view, I should have remained where I am, nothing but a conviction that the present arrangement will be of benefit to my children has led me to take this step, presenting as it does a situation for my eldest son who is now ready to be sent out into the world and who I can have in the same concern with me.'[9]

However, two days later, Morrell retracted his resignation, writing:

> 'Since I wrote to you tendering my resignation I have felt so acutely both in body and mind at leaving a situation where I have been so many years with so much comfort to myself and I hope satisfaction to the Directors, that I have determined to relinquish the engagement I had entered into, and to beg that the Directors will be so kind as allow me to withdraw my resignation and to continue to them my services. An anxious desire to have my son brought up under my own eye and at a slight expense, has led me to take this hasty step, I hope the Directors will forgive any impropriety of

[9] Letter from Robert Morrell (Selby) to Thomas Price (Managing Director, Head Office) (Y104/4), 27 November 1845.

> which I may have been guilty in acting thus hastily and allow me to continue to them my faithful and obedient services.[10]

According to Vernon's portrait of family life at the bank house in Selby, despite living frugally, the Morrells were content and settled – especially Anna, Morrell's wife, who was passionate about the garden there. Instead of resigning in favour of a better-paid position elsewhere, Morrell evidently chose to stay put, asking instead for a salary increase. In January 1846, he wrote again to Price explaining his financial position:

> 'Had I succeeded in getting my son into the Bank, it would have been a great help to me for I find the sending him out, will so materially add to my expenditure, that after using all possible economy consistent with my situation in life, I shall not be able to keep it within the income arising from my salary.
>
> I have now spent 14 of the best years of my life in the service of the Directors, during which time I have sent to York a nett profit of £17,330 being an average of £1240 p/ann and I believe the Selby Branch has paid less in salaries in proportion to its profits than any other, in consequence of having had a succession of young boys, with small salaries, while other Branches have had young men. I hope the Directors will be so kind as take these things into their favourable consideration and grant the advance for which I pray.'[11]

At the bottom of the letter Price wrote 'application declined'. In fact Morrell had to wait a further seven years before he got a rise. Even with the most careful management therefore, he was forced to spend some of his capital each year. In fact, according to Vernon 'he never did manage to live on his salary until after his younger son [William] left school'.[12]

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[10] Letter from Robert Morrell (Selby) to Thomas Price (Managing Director, Head Office), (Y104/4), 29 November 1845.

[11] Letter from Robert Morrell (Selby) to Thomas Price (Managing Director, Head Office) (Y104/4), 17 January 1846.

[12] Vernon, *Three Generations*, p.62.

If higher salaries could be used to guarantee fidelity and ensure respectability, it thus followed that positive effects would also be felt in terms of staff morale. 'Consider...the effect which the amount of salary produces on the mind and condition of the party receiving it'[13] urged Gilbart. Optimum efficiency could only be achieved if officers felt their services were being duly recognised and rewarded. 'A few hundred pounds taken from the surplus profits of the year and divided amongst the officers with small salaries on the establishment' added the *Bankers' Magazine* 'would generally be preferable to allowing it to form a trifling addition to the *Reserve Fund* and by stimulating the clerks to use their best exertions, it might in the end be found to be a not unprofitable employment of the money'.[14] In short, bank business in terms of safety and productivity was at risk if directors persisted in offering only meagre returns.

Of course, not all were of this opinion; those collecting a dividend from bank profits tended to be equally outspoken when it came to the question of salaries. Although shareholders were, in effect, co-partners in the business and as such were rightly concerned about its success, it did not go unnoticed by a number of observers that they could also be a little short-sighted and unrealistic when the balance sheet was laid before them. As George Rae identified, there are always shareholders who would seem to make it their business to continually attack the institution:

> 'The Naggleton of your annual meetings quarrels with the Rest as too large, or with the profits as too small. He quarrels with your Report. It is too concise; he wants to know a great deal more than what it tells him. He is disappointed with the dividend, and objects to the balance carried forward to next year as excessive. He cannot understand why the District Union Bank pays only 15 per cent, when it is well known that other banks pay 17 1/2 or 20. There must be bad management, or inexcusable losses, or an over-salaried staff, or something.'[15]

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[13] Quoted in a letter written to the *Bankers' Magazine* in November 1850 by George Rae (Thomas Bullion) on the subject of salaries.

[14] *Ibid.,* September 1846, p.366.

[15] Rae, *Country Banker*, pp. 296-7.

No doubt every bank had its bugbear in the shape of one or two peevish shareholders. Indeed the seemingly omnipresent James Audus of Selby saw fit to complain at the York City's third Annual General Meeting about the 'lack of due caution in making advances of cash to individuals' and the 'unnecessary expenditure on premises at Scarborough' - charges the board refuted.[16] In fact an almost caricatured image of the quarrelsome shareholder is created, suggesting that this minority were not uncommon and ought not, on the whole, be taken too seriously. However, comments made (along the above lines) by a shareholder at a meeting of the London Joint Stock Bank raised consternation in both the *Bankers' Magazine* and the *Railway Herald.* It transpired that one gentleman had complained about the increasing expenditure of the bank over a six-year period. A director explained in reply that since the bank had accumulated business annually increasing profits, it thus followed that increased expenditure was needed to keep the concern going. In particular he noted that 'the necessity of employing more clerks, giving them better salaries, and improving their salaries year by year' was an important component of the increase.[17] Such comment might have been commonplace at any meeting of any banking company the country over. However, these particular comments were picked up on by contemporary commentators and used, quite specifically, to illustrate the dangers of viewing profit and expenditure in a black and white manner. This, of course, added fuel to the fair salary campaign which both the *Bankers' Magazine* and the *Railway Herald* were firmly behind. By likening the short-sightedness of one shareholder to a potentially larger group (employers included) both journals made it quite clear that any individual hoping for maximum profits at rock-bottom price was fooling himself. Only those minds 'debased by the most sordid and corrupt motives' wrote the *Railway Herald* would disagree.[18]

The arguments for (and against) a fair wage were, therefore, made quite clear. Exact figures for actual (and recommended) average salaries, on the other hand, are harder to pin down. Evidence was usually provided by the bank staff themselves who used journals such as the *Bankers' Magazine* to (anonymously) air

[16] AGM, *DBM* (Y2), 28 February 1833.

[17] 'Banking profits and expenditure', *Railway Herald*, reprinted in *Bankers' Magazine*, October 1846.

[18] *Ibid.*

their grievances over, what they perceived to be, unacceptable pay arrangements. Revelations in 1846 that branch managers in Ireland were expected to support themselves (and their families) on as little as £150 per annum, while clerks, worse still, had to do the same on around £50 to £60 per annum, opened the floodgates for similar tales of hardship, effectively forcing the issue before the public for debate.[19] As the *Bankers' Magazine* commented 'nothing will be so effectual in remedying the bad system...as keeping the subject before the public'.[20] The Irish case was contrasted with the English experience by a share broker ('and formerly a bank manager, at £150 a-year') who insisted that 'a much worse case might be made out for the banks in England'. Although his own salary had been, by his own admission, a 'paltry pittance' incapable of supporting a family and a gentlemanly lifestyle, he cited an example of another manager who received a salary of only £100 (with, incidentally, a family of five to support). 'I was told' recounted the ex-branch manager, that 'he kept his dog and his gun, and have seen him in the street at mid-day with a cigar in his mouth. His last shot would soon be spent. He was in every tradesman's book in the town!' This set the tone for further debate, it generally being agreed by bank managers and contemporary writers alike, that anything shy of £200 for a branch managers' annual salary was a 'crying abuse'.[21]

In terms of clerks' salaries, similar accusations of beggarly behaviour were laid at the door of bank directors. Reports indicated that £50 per annum was a standard sum paid to bankers' clerks, with £60 or £70 frequently being the maximum. 'What gentleman' asked the *Bankers' Magazine* 'would offer his private clerk *fifty pounds a year* supposing him to be a married man with a family, and entrusted from time to time with large sums of money, besides being required to find heavy surety for his fidelity?'[22] Of course, these sums did not apply to all - it is quite reasonable to assume that many clerks were satisfied with their lot. As the editor of an article in the *Observer* commented, despite the general feeling that clerks were inadequately paid, many institutions proved to be favourable exceptions, rewarding hard work with a comfortable wage and occasional presents. In his

[19] *Bankers' Magazine*, February 1846.

[20] *Ibid.*

[21] *Ibid.*

[22] *Ibid.*, September 1846.

opinion, £100 per annum was 'a very respectable average' in many banks after about seven or eight years service, having risen from the junior ranks to posts of responsibility. However, he added, a clerk must reach a certain age before he can attain, what might be described as, an 'adequate' salary which begs the question of whether this policy is 'not as unsound as it is unjust'.[23]

At York City's Selby branch during the late 1860s, William Morrell, the branch agent, reported that he was having trouble keeping his young clerks for any length of time. They would not stay in Selby because their salaries were too low. In a letter to Head Office, he wrote:

> 'The demands on a Clerk here are in many respects different from those in a larger town. We require for our own interests one who is no longer a youth. His personal appearance must always be respectable. He must be able to associate with our customers. His lodgings must not be in a family (where our business affairs might be supposed to be talked over) but he must have separate and independent apartments. His leisure must be spent either in completing his studies or in holding some sort of office in connection with public affairs – either of which will entail *expense*. These requirements, in the present state of the labour market, cannot be met under an outlay of £70 or £80 a year.'[24]

He went on to explain that, having been a junior clerk himself, he knew only too well the expenses this entailed:

> 'My experience of twenty years in the service of the Bank has supplied me with the exact expenditure necessary. I know well that what is, in the aggregate, only a moderate sum for the Bank to expend, can bind together their staff in an *espirit-de-corps* which is of the highest value...I would respectfully hope for the favourable consideration of the Board on the

[23] Comments from the *Observer*, quoted in the *Bankers' Magazine*, February 1852.

[24] Letter written by William Wilberforce Morrell to the Directors, from J. B. Morrell's private papers quoted by Vernon, *Three Generations*, p.104.

> question that this Branch requires a higher salary than at present for its Clerks, having regard to the services we require and the profits we make.'[25]

The Board acted favourably to Morrell's request, commending his concern for his employees, and noting: 'he is a man to be watched'.[26]

An amusing story regarding a particular clerk's salary was recounted in the *Bankers' Magazine* collection of 'Banking and Financial Anecdotes' in 1865. A banker's clerk, it was told, well known among his fellow clerks for his parsimonious habits, and whose salary was £80 per annum, was informed by his superiors of their intention to increase his salary by £10. The clerk appeared somewhat perturbed by the suggestion responding:

> 'I think it unnecessary, sir; I do not spend more than thirty pounds of what I now receive, and this addition will only tend to increase my anxiety and trouble'.

When questioned about his mode of living, the clerk continued:

> 'I usually breakfast in the street; and as to my dinner, I buy a penny loaf; and as you have an excellent pump at the end of the street, I have a drink of pure water; I have no tea or supper, and only indulge in a meat dinner on a Sunday'.

Much to the satisfaction of the banker, this anecdote was said to be related to other clerks when they requested salary increases. They, in turn, set about ridding the bank of this 'enemy of good living' protesting: 'Dost thou think because thou art virtuous, there shall be no more cakes and ale?'[27]

On the other hand, there were those who exaggerated their case. A letter written by 'a late bankers' clerk' to the *Bankers' Magazine* in 1852 told of a salary in his first year of £30, rising to £40 in the second, where it remained for six months of

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[25] *Ibid.*

[26] Vernon, *Three Generations*, p.104.

[27] *Banker's Magazine,* June 1865

his third year (despite being promised a further £10 that year). 'The heart is apt to sicken at the greed and rapacity of some men' he lamented. Unfortunately for him, the details of his letter identified him to his former superior who refuted the young man's claims, stating that his *small* salary was ample remuneration for his *small* services. For him, the lad had quite different ideas about the value of his services: 'He ranks in the same class with the boy who sat in the organ loft, and who claimed equal honours with the organist because *he blew the bellows*'![28]

Hence, the 'salary question' of the 'forties and 'fifties was anything but straightforward. What the dialogue in contemporary material shows is that it was a contentious issue upon which most people connected with the banking sector had their own opinion. A lack of research on this thorny subject - attributable to the difficulties of acquiring consistent wage series for white-collar workers - makes the task of collating information even more problematic. Unfortunately, the difficulty of understanding the York City's salary structure, particularly before 1850, stems from this precise problem. If wage books were kept for the bank, they no longer survive meaning that the only information available about salaries has had to be extracted from the directors' minute books. While much of interest is revealed, the source is patchy and at times inconsistent in its record of who earned what. So, without wishing to embark on a lengthy monologue about the shortcomings of using such a fragmentary source, a few points of caution need to be stated before (tentative) conclusions can be made.

York City's Salary Structure

Quite simply, the bank's minute books do not yield a systematic set of records on salaries. Staff-related matters were reported alongside customer issues, investment information and branch affairs - in fact all aspects of bank business discussed by the board. Despite the practical implications this had for data collation, more fundamental problems became apparent. The minute books are not comprehensive (or, indeed, always accurate) in their record of staff earnings, with gaps in individuals' wage series suggesting data omission.[29] By around 1868, a staff

[28] *Bankers' Magazine*, July 1852.

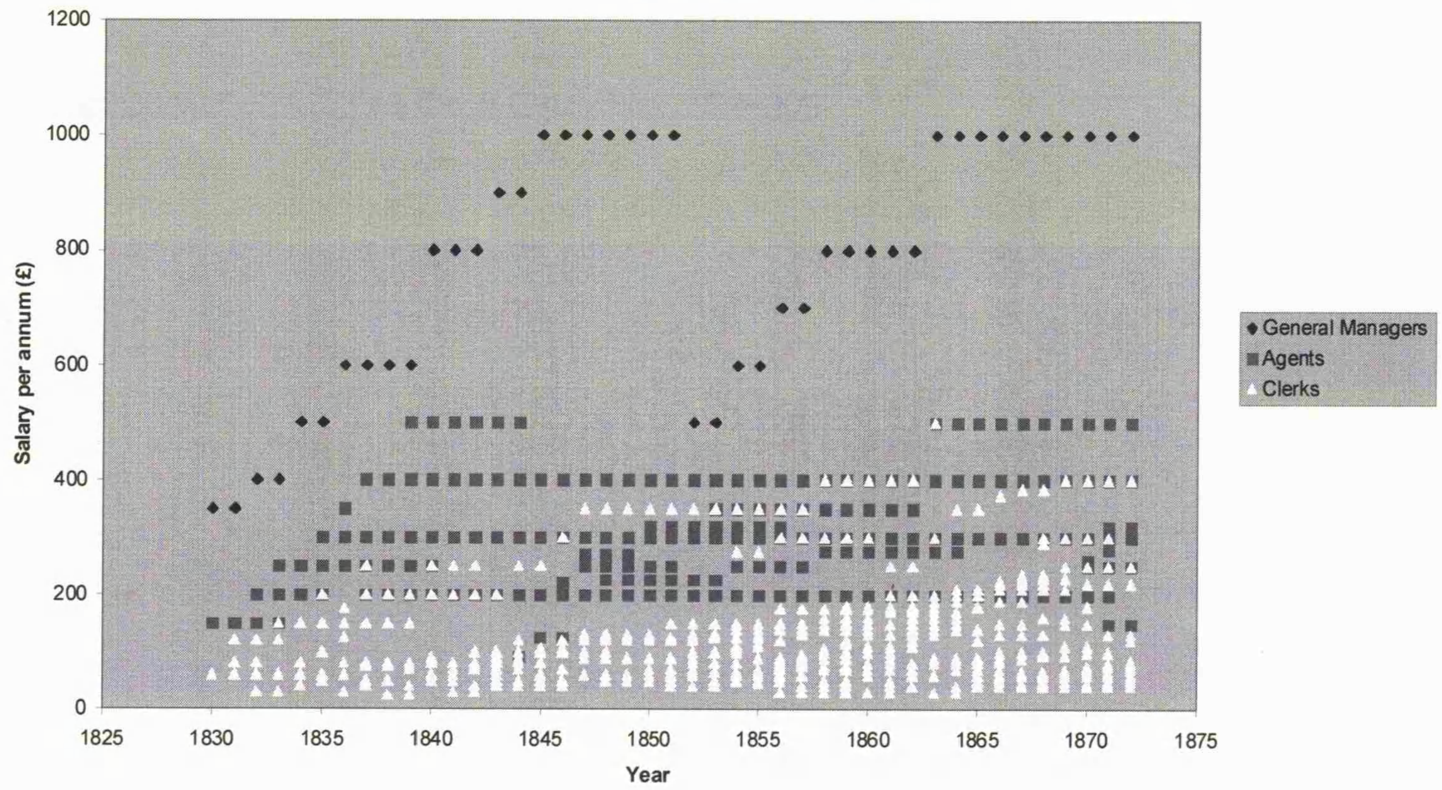
[29] In the event that more pressing items were on the directors' agenda, it is quite likely that the junior clerk's rise of £5 at the Malton branch remained undiscussed and therefore unrecorded. There is certainly evidence to suggest this.

register had been set up which recorded the details of each officer working for the bank, including their salary from commencement to retirement. All new staff, from 1868 onwards, were recorded in the book along with the employment histories of a handful of long-serving employees. What is clear on comparing staff profiles from the register and those built-up from the minute books is that various items of information have been excluded from the latter.[30] This problem is compounded by disorderly documentation of available salary information. From 1830 to around 1851, salary increases were either recorded as the sum the salary was increased *by* or the figure it was increased *to*. This lack of systemization confuses the task of piecing together each individual's earnings history further. For example, the omission of an officer's starting salary renders reference to subsequent increments meaningless. Things improved in 1852 when just the amount each salary was increased *to* was recorded. However, this too creates problems. Since it has been shown that the records are not comprehensive, missing salary increase information makes successive figures suggest huge rises. Attempts to compute average annual rises suffer, therefore, from inaccuracies. Thankfully, from 1863 onwards, the task of recording the data became more methodical; salaries were given as they currently stood, and by the amount they were being increased to, allowing a fuller and more accurate picture to be revealed.

These drawbacks aside, the findings are instructive. The salary distribution of all York City staff between 1830 and 1872 is shown in chart 7.1. Broadly speaking, three tiers of pay are evident. The top level was earned by the general manager. The first general manager, Robert Barnes, commenced on a salary of £350 per annum which rose over the duration of his employment to a maximum of £1,000. Salary increases were regular, and ranged from £50 increments to £200. His successor's salary progression adopted a similar pattern. Appointed to the position in 1852, Edward Smallwood began his duties on a salary of £500 per annum - half what his predecessor had retired on. Experience swelled this sum and in just over

[30] For example, according to the minute books, Mark Mountain, the agent at Boroughbridge joined the bank as a clerk in 1841 on a salary of £70 per annum. Between then and 1858, four incremental rises are recorded; thereafter, no further reference is made to his earnings, despite the fact he remained employed with the bank until his death in 1886. The staff register, on the other hand, shows his salary to have risen consistently throughout his career, the last rise recorded in 1883 of £50 taking his annual income to £350.

Chart 7.1 Salary distribution of all staff, York City & County Bank, 1830-1872



Data extracted from the directors' minute books, 1830-1872 (Y1-Y7).

a decade, his salary reached £1,000 where it stuck for the remainder of his employment, suggesting a ceiling of sorts. Incomes were, however, supplemented in different ways, meaning that a stagnant salary level was not necessarily a bad thing. In addition to the basic salary, Barnes was granted 'the house rent and taxes free with coals and candles' while Smallwood was allowed 'residence at the Banking house, York'.[31] The payment of taxation and accommodation costs by the bank allowed, therefore, a respectable disposable income. Presents were also occasionally given. During his tenure, Barnes received two gratuities - one in 1832 of £25 and one in 1846 of £100. Similarly, Smallwood received a number of presents including a quantity of wine (with a 'supposed value' of £50) which 'came into the hands of the Bank from one of their debtors, in part payment of the sum due to the Bank'. In the directors' opinion, Smallwood was 'fully entitled to the above consideration' for his 'assiduous attention to the interests of the Bank'.[32]

Given that the general manager's salary was not, then, as seemingly clear-cut as chart 7.1 suggests, it must be said that the agents' and clerks' salaries proved doubly tricky to determine. By and large, the second tier of pay revealed in chart 7.1 represents the agents' salaries, while the bottom tier corresponds with clerks' earnings. An interpretation of these figures is given in tables 7.1 and 7.2.

[31] *DMB* (Y1) 12 January 1830; *DMB* (Y4), 4 February 1851.

[32] *DMB* (Y5), 9 February 1852.

Table 7.1a Agents' salaries, York City & County Bank, 1830-1870

	Lowest salary (£)	Highest salary (£)	High:low ratio	Mean salary* (£)	Median salary (£)	Standard deviation from mean* (£)	Skew
1830	150	150	1.0	150	150	0	--
1835	200	300	1.5	265	275	40	-0.9
1840	200	500	2.5	325	300	100	+0.8
1845	125	500	3.2	255	250	80	+0.3
1850	200	400	2.0	275	300	60	+0.5
1855	200	400	2.0	290	300	65	0
1860	200	400	2.0	315	325	55	-0.8
1865	200	500	2.5	365	400	85	-0.5
1870	200	500	2.5	325	300	90	+0.8

* to nearest £5

Table 7.1b Agents' salaries: 10-year averages, York City & County Bank, 1830-1870

	Average lowest salary (£)	Average highest salary (£)	Average high:low ratio	Mean salary* (£)	Standard deviation from mean* (£)	Skew
1830-9	185	295	1.6	250	80	+1.0
1840-9	174	450	2.8	290	90	+0.6
1850-9	200	400	2.0	295	65	-0.1
1860-9	200	470	2.4	345	80	-0.1

* to nearest £5

Table 7.2a Clerks' salaries, York City & County Bank, 1830-1870

	Lowest salary (£)	Highest salary (£)	High:low ratio	Mean salary* (£)	Median salary (£)	Standard deviation from mean* (£)	Skew
1830	60	60	1.0	60	60	0	--
1835	50	200	4.0	110	100	55	+0.4
1840	50	250	5.0	110	80	70	+1.5
1845	40	250	6.3	90	80	55	+2.3
1850	50	350	7.0	120	105	85	+2.4
1855	45	350	7.8	120	115	75	+1.9
1860	30	400	13.3	125	110	85	+1.6
1865	40	350	8.8	130	105	80	+0.8
1870	40	400	10.0	120	70	100	+1.4

* to nearest £5

Table 7.2b Clerks' salaries: 10-year averages, York City & County Bank, 1830-1870

	Average lowest salary (£)	Average highest salary (£)	Average high:low ratio	Mean salary* (£)	Standard deviation from mean* (£)	Skew
1830-9	40	160	4.7	90	45	+0.1
1840-9	45	280	6.6	120	85	+1.5
1850-9	40	360	9.2	155	95	+1.3
1860-9	35	395	11.2	135	105	+1.4

* to nearest £5

Using the available data, an attempt has been made to compute the salary dispersion for agents and clerks between 1830 and 1870 at five-year intervals. However, before the results are discussed, a number of things need to be pointed out. Although employees were classed as 'agents' or 'clerks', duties and responsibilities would have varied significantly within each group, particularly amongst the clerks. Given that salary was commensurate with level of skill, direct comparison between say, a junior clerk and (what was effectively) a cashier skews the results. Similarly, although the role of the 'agent' was essentially to manage a branch, volume of business conducted and number of staff overseen surely had a bearing on remuneration. Again, therefore, it is not entirely realistic to make direct comparisons in this way. However, despite being unable to account for occupational variations within each wage group, inferences can be made. For example, the lowest salary recorded for a clerk in 1860 was £30 per annum, while the highest stood at £400 - just over 13 times more. Inspection of the records reveals that of the four clerks earning £30 that year, each had less than five years experience at the bank. Conversely, the clerk on £400 per annum had completed almost thirty years employment with the bank. Clearly, length of service had a direct bearing on salary levels. In the absence, then, of any other information which would assist in identifying variations in employment and therefore changes in the behaviour of wage rates, average salaries have also been computed for agents and clerks in terms of length of service within the bank. The results are given in tables 7.3 and 7.4.

Table 7.3 Mean salaries of agents classed as to period of service within bank, York City & County Bank, 1830-1870

Year	Length of service (years)	Mean salary	Number of agents
1840	Under 5	315	4
	5-9	400	1
	10-14	300	1
	Over 15	--	--
1850	Under 5	200	1
	5-9	250	4
	10-14	300	2
	Over 15	350	2
1860	Under 5	--	--
	5-9	300	1
	10-14	200	1
	Over 15	340	6
1870	Under 5	280	4
	5-9	--	--
	10-14	--	--
	Over 15	360	5

Table 7.4 Mean salaries of clerks classed as to period of service within bank, York City & County Bank, 1830-1870

Year	Length of service (years)	Mean salary	Number of clerks
1840	Under 5	75	6
	5-9	225	2
	10-14	--	--
	Over 15	--	--
1850	Under 5	55	3
	5-9	100	3
	10-14	130	2
	Over 15	350	1
1860	Under 5	45	7
	5-9	130	8
	10-14	150	2
	Over 15	205	6
1870	Under 5	45	10
	5-9	90	4
	10-14	110	1
	Over 15	245	7

As predicted, length of service had the greatest bearing on the clerks' salary group. From 1850, the salary structure was quite rigidly graduated in terms of time served. For the agents' group, evidence of this pattern is less discernable. Good branch managers were hard to come by, especially before 1850, and accordingly salary levels had to be reasonably flexible to entice new staff. If chart 7.1 is reconsidered (in conjunction with tables 7.1 and 7.2) some quite astronomical salaries were recorded for agents and clerks alike. If the *Bankers' Magazine* knew that in 1840 one of the York City's agents earned £500 per annum and a clerk £250, it might have wondered what the salary fuss was all about! The problem was that the rapid proliferation of joint-stock banks, particularly during the 1830s, created a recruitment problem. This obvious but crucial fact was spelt out in a letter from an 'old bankers' clerk' in 1844. 'A most extraordinary spirit of speculation for Joint Stock Banks arose in all parts of the country' he recounted, and 'these numerous banks and branch banks, required, of course, to be supplied with managers and clerks'. A small number were taken from merchants' and accountants' offices, he disclosed, but most were drafted in from existing private banks in England and Wales and the joint-stock banks of Scotland and Ireland.[33]

Nevertheless, a shortfall remained which was made worse by the corresponding growth in railway companies which were also seeking staff. As Boot found in his study of salaries in the Bank of Scotland, 'facing [the] vigorous outward shift in demand was a relatively inelastic supply curve of workers with the requisite skills'.[34] Essentially, bank clerks needed to be literate and numerate - skills that were in short-supply up until the 1840s, as the following extract from an application for a clerical post at Stockton & Darlington Railway Co. in 1825 would suggest: 'I have teached a School upwards of 25 years' explained the applicant, 'and for half of that time have been used to public business...'[35] Certainly, general improvements in literacy diminished the scarcity of the trained clerk, but until enough men could be brought into clerical employment, companies (including banks) were forced to offer - in the short-term - salaries in excess of the market

[33] *Bankers' Magazine*, December 1844.

[34] H. M. Boot, 'Salaries and career earnings in the Bank of Scotland, 1730-1880', *Economic History Review*, Vol.XLVI, No. 4, (1991), p.648.

[35] *B.T.C. Archives* (York), SAD/8/99, quoted in Sidney Pollard, *The Genesis of Modern Management*, (1965), p. 136, n. 2.

rate if they were to attract suitable staff. Indeed, according to Gourvish's study of London & North Western Railway, in terms of labour management, most railway company boards attempted to reduce costs elsewhere, opting instead to 'retain experienced staff while these were at a premium'.[36] In the same way York City was prepared to pay over the odds for its staff - in the short-run at least. One of the most conspicuously high salaries was earned by Robert Wirill. He was employed by the bank in 1838 to replace the late John Drage as agent at Boroughbridge. Drage managed the branch for five years at a salary of £250 per annum. Wirill, on the other hand, was offered £500 per annum to fill the post - double his predecessor's salary! While previous experience was surely part of the reason for such generous remuneration, experienced agents were a scarce commodity in 1838 following the 'mania' of joint-stock bank creations in 1836 which left people like Wirill in a strong bargaining position.

By about 1850, the pressure on the labour supply had eased. In fact the *Bankers' Magazine* referred to the 'glut of clerks' seeking employment in 1847, adding that 'vacant branch-managerships are not as plentiful as black-berries in these times'.[37] The spectacular collapse of a number of institutions cast many trained individuals back into the labour market. In the words of one contemporary observer: 'the failures and misfortunes of many Joint Stock Banks, some of them of great magnitude and extent, again threw back upon the world, in the course of a very few years, a large number of those managers and clerks'.[38] This swelled the pool of available labour, allowing banks to become more selective in their choice of labour while, at the same time, paying them less. This was certainly the case at the York City. After about 1850, salaries became more standardised with any seemingly anomalous sums being explainable in terms of length of service and experience.

In general, a junior clerk could expect to start on a salary of £40 a year. Providing his work remained satisfactory an annual increase of £5 to £10 was the norm, getting incrementally larger later on when a number of years experience had been attained. As table 7.4 shows, over the mid-to-late century, clerks having served ten

[36] T. R. Gourvish, *Mark Huish and the London & North Western Railway*, (Leicester, 1972), p.96.

[37] *Bankers' Magazine*, February 1847; March 1847.

[38] *Ibid.*, December 1844.

years at the bank could expect an average salary of up to £150 per annum, rising to anywhere between £200 and (in exceptional cases) £400 for over 15 years service. Very few were awarded such a high sum. As Boot concluded in his work on salaries in London banks, it is likely that small groups of highly paid clerks were (judging by their salaries) essentially carrying out the tasks of (what would be defined quite specifically elsewhere) of chief clerks, cashiers and accountants. The salary advancement of George Cooper, a clerk at York, usefully illustrates this. Employed as a junior clerk in 1832 at a salary of £60 per annum, he remained at head office as a 'clerk' until his retirement in 1863. Within ten years, his salary had risen to £200; by 1850 it stood at £350; and from 1858 to 1863 it rested at £400. As chart 7.1 shows, this sum was equal to the highest paid branch agent. As Anderson commented in his survey of Victorian (bank) clerks, 'men in some head-office positions commanded greater status and salaries than branch managers'; in fact managers were occasionally 'recalled to Head Office to fill clerical posts'.[39] For the majority of clerks, however, salaries probably fell into a narrowly defined band with a ceiling above which it was difficult to reach. This might explain, in part, why the salary question remained an issue for so long. However, contemporary debate was not entirely composed of letters from frustrated clerks and discontented agents. Sensible advice was readily at hand: to reiterate Rae's words: 'banks cannot give high salaries to all' and yet some alternative was required to ensure that bank staff were not left out of pocket. It was suggested that by increasing the *frequency* with which officers were paid, various benefits would be conferred upon staff. According to the *Bankers' Magazine*, the majority of clerks in 1850 were paid quarterly. Since it was not permissable for them to go overdrawn, it was quite usual for them to resort to *credit* to meet their daily requirements. A letter from a bankers' clerk, written in 1845, confirmed this by laying out his quarterly expenditure:

Returned to my friend B, of whom I have been under the painful necessity of borrowing	...£ 6 0 0
Butcher's, baker's, and grocer's bills	... 12 0 0
Rent, £6; bootmaker, £1 10s.; tailor, £7 10s.	... 15 0 0
Servant's wages[40]	... 1 10 0

[39] Gregory Anderson, *Victorian Clerks*, (1976), p.12.

[40] *Bankers' Magazine*, February 1845.

Out of his quarterly payment of £40 the clerk was left with just £5 10s which, as he pointed out, was insufficient to meet the following quarter's living costs, meaning recourse to credit again. Campaigners for salaries paid at shorter intervals argued that this sort of humiliation resulting from borrowing money would be eliminated if officers were paid *monthly* instead. Since the clerk would not have to ask for credit, he would not then incur credit charges. Moreover, regular receipts of money would allow a clerk to better accommodate his expenses with his income and not least, 'have the more frequent repetition of the exquisite pleasure of reaping the reward of [their] labour, and thus being more encouraged to the more cheerful and correct performance of [their] duties'.[41] By the *Bankers' Magazine's* estimates, in the majority of cases where monthly payments were made, practically ten per cent was added to each individual's salary. For these reasons argued one ex-branch manager, directors ought to bestow some attention on this point:

> 'An inquiry of their junior officers would at once convince them [the directors] that *monthly payments* where they are now made quarterly, would be regarded as a boon; and the small additional trouble of posting the payments in the ledger more frequently, or the trifling loss of interest on the sum paid in advance, ought not to operate to prevent the change where desired.'[42]

If quarterly payments were generally the rule before 1850, it might be said that the York City was something of an oddity in that it paid its officers *annually*. It was not until 1852 that managers and clerks were paid quarterly.

It was also pointed out that salaries ought to reflect the profitability of business. 'When [private bankers] have a good year' reminded the *Bankers' Magazine*, 'the clerks share the advantage'.[43] Of course, a policy such as this could go either way - Sayers reported in his study of Lloyds Bank that there were times when lack of profits occasioned salary *reductions!* However, the merits of distributing a portion of profits were made quite public in 1852 when it was announced by the London

[41] *Ibid.*

[42] *Ibid.*, November 1850.

[43] *Ibid.*, February 1852.

and Westminster Bank that, having had a successful year the directors had presented their officers with a bonus of ten per cent on each of their salaries - its feeling being that the bank's officers should participate in its success. This was not, however, a new initiative. Following the increase in business at York in 1845 resulting from 'numerous railway transactions' York City's directors presented gratuities to its general manager and head office clerks, *and* increased payment to the London agents, Barnett, Hoares & Co.[44] Payment was also made to the clerks at York in February 1852 when £25 (later increased to £40) was distributed 'for extra services over Christmas due to deficient numbers'.[45] Staffing problems were also recognised at Malton in 1855 when the agent of that branch, John Smith, was presented with a gift of £20 to compensate for numerous clerk changes that had occurred there.[46] Similarly, at the 24th AGM in 1854, it was reported that '...the business of the past year continues to progress and that the profits of the year are in advance of the preceding one, owing principally to the increased rate of interest, which the surplus money of the Bank has produced, during the latter part of the year'. Consequently, a gratuity of £100 was presented to the general manager while each agent and clerk (except William Smith of Goole who received £25) received a bonus of ten per cent upon their salaries.[47] Similarly, payments were made in 1858 and 1860 when agents and clerks again were rewarded for their efforts during the preceding years. Supplementing incomes in this manner was surely a sound management practice. As the *Bankers' Magazine* concluded 'it gives an impetus to individual exertion' and 'promotes the active co-operation of every officer in the establishment in advancing the interests of the bank more than by any other means'.[48] In short, the granting of a high salary to each individual was neither expected nor possible; however, the awarding of presents for industrious activity in prosperous years ought to be actively encouraged.

And finally, if an officer was still dissatisfied with his lot, he could always ask the directors for a pay rise. When salaries were reviewed in January 1849, Charles Fearn, a junior clerk at Scarborough, requested an increase and was awarded £20

[44] *DMB* (Y3), 2 February 1846.

[45] *DMB* (Y3), 9 February 1852.

[46] *DMB* (Y5), 19 February 1855.

[47] *DMB* (Y5), 26 January 1854.

[48] *Bankers' Magazine*, February 1852.

extra per annum. Not as lucky was Robert Harvey, a clerk at York, who requested an increase in February 1836 'drawing attention to the disproportion between his and Mr. Smallwood's salary'. In response the board expressed their 'displeasure and astonishment' that he should make such an application after having his salary spontaneously increased at the start of the year![49] It might have been instructive if he could have taken (the ever-reliable) George Rae's advice and left the question of salary to the judgement of the directors. 'The merits of every individual in the service are perfectly known to the authorities at head quarters' he assured, and 'an officer will not enhance the value of his services by the continual blowing of his own trumpet'.[50]

[49] DMB (Y2), 8 February 1836. Edward Smallwood was the chief clerk at York (and later general manager).

[50] Rae, *Country Banker*, p.170.

CHAPTER 8

TRANSITION AND CHANGE: A NEW MANAGER AT YORK

The 1870s ushered in a period of transition and change for York City & County Bank. Until 1870, the bank had serviced the agricultural community and market towns of the North and East Ridings. In many ways, therefore, it continued to operate like a private house, particularly in terms of the type of clientele it attracted, its policy towards advances, and the type of staff it recruited. At the same time, however, it was one of the few truly progressive joint-stock banks formed after 1826. Quite unusually, York City branched from its inception. Within fifteen years the bank had opened eight branches and two agencies which extended business as far north as Whitby and down to Goole south of the Ouse. By 1845, its paid-up capital had reached £100,000, one quarter of which was credited as a bonus from surplus profits, note circulation exceeded £90,000, and deposits totalled £688,000. Thereafter, its position consolidated in the North and East Ridings, the bank continued to conduct business within the confines of the locality. For thirty years no further attempt was made to expand geographically. It was not until the opening of the Middlesbrough branch in 1871, and the subsequent policy of expansion pursued under the command of the new general manager, William Wilberforce Morrell, that the bank became directly involved in business beyond its rural locale.

York City's subsequent history was quite different, therefore, to its pre-1870 years. In fact, expansion into Middlesbrough in 1871, coupled with the arrival of Morrell at York in 1873, marked a watershed in the bank's development. From thereon, its management applied a strategy of developing business in industrial Yorkshire (although not within the West Riding textile trades) and the north east. This dramatically changed the nature of the bank's assets. By the mid-1880s, York City was the largest provincial joint-stock institution, expanding not only as a result of post-1870 branching initiatives, but also as a consequence of its management's involvement in the amalgamation movement. The bank acquired further private banks (beginning with, in 1873, J. Backhouse & Co., Thirsk), and from 1883, took over corporate institutions (such as Darlington & District Joint Stock Bank). This culminated in its 1901 merger with Cumberland Union Banking Co.

What follows, therefore, is an examination of York City's transition from an agricultural bank in the 1860s, to an industrial concern by the late 1870s. Discussion will focus on three key areas: the impact of the new manager at York; the bank's involvement in industrial finance – especially the steel trade; and the way in which York City changed over the 1870s to accommodate this new direction.

From Selby to York

The appointment of William Wilberforce Morrell as general manager of York City in 1873 was, arguably, the single most important decision the directors made that year. Without a manager prepared to take a pro-active approach to tapping new markets, it is likely York City would have continued to consolidate its hold over the North and East Ridings until a larger institution eventually absorbed it. Instead, the bank's increasing industrial and commercial commitment under Morrell's initiative ensured that York City led the way when it came to the amalgamation movement at the end of the nineteenth century.

William Morrell's story began at the Bank House in Selby where he was born in 1837. His father was Robert Morrell who had managed the branch from its formation in 1831. Throughout his tenure at Selby and particularly during his later years Robert suffered from bouts of ill health. It was impressed upon his youngest son, therefore, that he had to be prepared to earn his own living as soon as possible. In order to groom him for employment, his parents sent him to Mr Clark's 'Classical, Commercial and Mathematical Academy' at Bishopstone Close near Ripon where he studied for a year. At 30 guineas per year the fees were expensive but William wrote back to report that 'the accommodation [is] far superior to anything [I] had expected' adding that 'a nice bathing instrument [has been] put in the room next to mine'. A sketch of the 'bathing instrument' – a tin bath, accompanied the letter.[1]

[1] Anne Vernon, *Three Generations. The Fortunes of a Yorkshire Family*, (1966), p.81.

At the age of fourteen, one month after leaving school, William Morrell wrote to the head office of York City & County Bank in York to request employment:[2]

> Sir,
>
> Whenever a vacancy occurs for a Junior Clerk in the York City and County Bank, either at York or any of the Branches, I beg to offer myself for that situation, and shall be obliged by your interest in my favour.
>
> I shall be 15 years of age next May.
>
> Your most obedient servant
> William W. Morrell

In May 1852, the Board of Directors reported that William Morrell, son of Robert Morrell, Manager at Selby, had been appointed clerk at head office at a salary of £40 per annum.[3] Upon taking up his position, Morrell moved to York and lodged at Burton Terrace with George Cooper, a senior clerk at the bank. As Sayers notes in his study of Lloyds, this was quite common and 'once he was in, the boy might expect a considerable amount of care'. In fact, during the 1850s 'there were still many banks where a family atmosphere prevailed and the apprentice would find something like the medieval status in the master's home'.[4] When Morrell was moved to the Scarborough branch some time later, Cooper wrote to his father: 'The "Young Banker" left us this morning for his new sphere of duties...His conduct during the short period he has been under my care has been exemplary...I have rarely seen a youth of his age conduct himself with so much propriety'.[5]

Morrell was moved back to York again by the directors a short while later where he remained until 1868. Upon his return he was required to stay at the Bank House itself at York. His washing was sent home weekly to his mother who grumbled

[2] Letter written by William Wilberforce Morrell to the Directors, from J. B. Morrell's private papers quoted by Vernon, *Three Generations*, p.81.

[3] *DMB* (Y4), 10 May 1852.

[4] R. S. Sayers, *Lloyds Bank in the History of English Banking*, (1957), p.68.

[5] Letter written by George Cooper (York) to Robert Morrell (Selby), from J. B. Morrell's private papers quoted by Vernon, *Three Generations*, p.82.

when it failed to arrive on time. Apparently she frequently went to Selby station and asked the stationmaster to telegraph York to find out whether his box of washing had ever been sent off. In fact, as Vernon remarks, 'for years she used the bank as a sort of post office and carrier. The clerk who came weekly to Selby on business from the head office was generally asked to bring William's collars and wristbands along with plants, and fine oatmeal which was unobtainable in Selby'.[6]

Despite Morrell's lengthy tenure at York, he very nearly left the bank in 1858 for alternative employment in Bradford. His brother, Robert, worked for Yates & Co., woollen merchants at Bradford, and he informed the family there was a suitable opening for William with Mr Owen who was about to commence business as a commission agent. After a visit to Bradford, William jotted his thoughts on a piece of paper:[7]

> *For Moving to Bradford*
>
> > Larger profit. Nothing wrong in the business. Not much risk of losing the principal. Easy to wind up.
>
> *Against Moving*
>
> > Chances of success here. Not enthusiastic in the other affair. Like York. Necessity of learning the other business and might not like it or succeed in mastering it. Query – suitability of my character.
>
> *What should I do?*
>
> > Share broker clerk? Bank clerk?

The decision was made in favour of York City & County Bank and Morrell stayed at York for another ten years.

It was during this time that Morrell took his first foreign holiday. 'If I stay away longer [than a fortnight]' he once said 'they will find they can do without me'.[8] Nevertheless, in 1863, he travelled to Switzerland with his sister Jemima. They

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[6] Vernon, *Three Generations*, p.82.

[7] *Ibid.*, p.86.

[8] Vernon, *Three Generations*, p.90.

were the first conducted tourists to be taken to Switzerland, and their guide was Thomas Cook. Mention of the trip is made in Morrell's personal ledgers which record 'Mimy's Swiss expenses' as totalling £24.[9] In fact, the story of William and Jemima's Swiss adventure was published (in 1963) as *Miss Jemima's Swiss Journal* which features 'Miss Jemima, the artist' along with 'Mr William, the Paymaster' and 'Miss Sarah, the Continental Traveller' who was their cousin Sarah from Northallerton.[10]

Thereafter, Morrell did not go too far afield for his holidays, content to document his renewed interest in Selby by writing a history of the town. In fact, it was later said of Morrell that 'few men had so intimate a knowledge of the history of Selby as he did' and, possessing as he did, parish registers and other documents going back centuries, 'he was ever ready, either through the Press or from the platform, to enlighten his fellow townsmen with details of the doings of their ancestors gathered by painstaking research amongst the records of the past'.[11] The *History of Selby* was paid for by subscription and published by W. B. Bellerby of Selby in 1867 to great acclaim. At the time, the book was received favourably and Hepworth Dixon wrote about it in 'eulogistic terms' in *The Athenaeum* which devoted a whole page to its review. Given his attachment to Selby, it is little wonder that Morrell ended up there again within a few years.

On Christmas Eve 1867, Robert Morrell died after a prolonged period of ill health. William applied for his father's post and in January 1868 was appointed agent of the Selby branch at a salary of £300 per annum.[12] Not only was the promotion a step up, it also meant that his mother, Anna, could continue to live in the Bank House. By 1869 he found himself in a comfortable enough position financially to marry. His wife was Lydia Hutchinson, a Quaker from Selby. The marriage strengthened the ties the Morrell family had as Nonconformists with the Society of Friends. Despite what Vernon described as a happy union, William's wife once

[9] Private ledger of William Morrell, 1862-65, Y104/11.

[10] See: Jemima Morrell, *Miss Jemima's Swiss Journal,* (London, 1963). The original leather bound diaries, illustrated and written 'for private circulation' by 'Miss Jemima', lay undiscovered until 1947 when they was found in an old tin box in the remnants of a blitzed warehouse in London, along with some other documents relating to Thomas Cook & Son.

[11] *Yorkshire Herald*, 23 December 1904, reporting on the death of W. W. Morrell.

[12] *DMB* (Y7), 6 January 1868.

admitted that she 'had sometimes felt jealous of the York City and County Bank' since she thought that her husband 'gave more time to it than was likely to promote good health'.[13] Indeed, in 1873 the bank really did become Morrell's most pressing concern when he was appointed general manager.

In November 1872, York City's general manager, Edward Smallwood, announced his intention to retire the following summer. Morrell was among a number of applicants for the position. Although not the most senior, the Board appointed Morrell without question. Among the private papers of the Morrell family survives a scribbled confirmation of this on the back of a circular:[14]

> My dear Sir
>
> *You are appointed*
>
> Yours truly,
>
> D.H.

The appointment was officially documented in the board minutes of March 1873 which reported that 'Mr W. W. Morrell the agent at Selby be appointed successor to Mr Smallwood as general manager his salary for the remainder of this year from 1st July to be at the rate of £500 per annum'.[15]

[13] Vernon, *Three Generations*, p.111.

[14] *Ibid.,* p.5. 'D.H.' was York City managing director, David Hill.

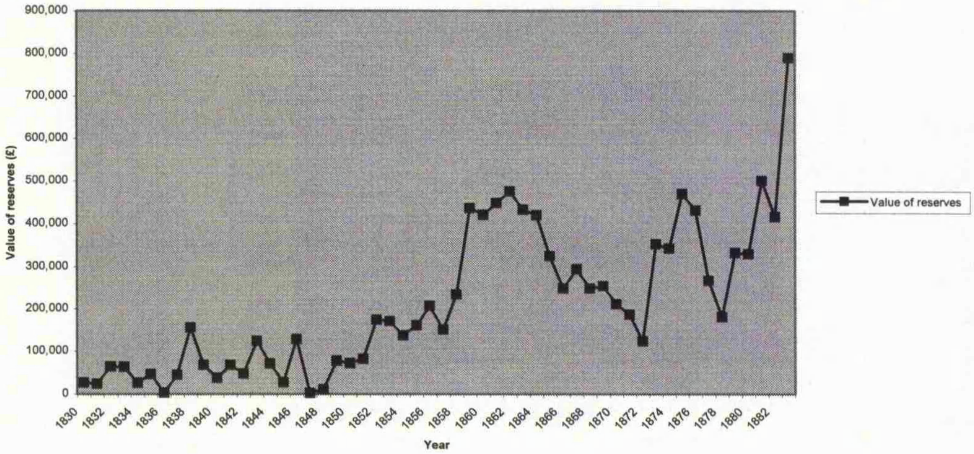
[15] *DMB* (Y8), 3 March 1873.

William Wilberforce Morrell
(1837-1904)

A New Manager at York

Morrell's arrival at York in July 1873 occasioned changes at the bank almost immediately. Within weeks of commencing his new post, he had drawn the directors' attention to what he considered to be fundamental weaknesses of the concern, and submitted a list of changes he wished to implement. As the directors had earlier commented, 'he was a man to be watched'. Straight away he alerted the Board to the diminished state of the bank's cash reserves. In his opinion they were insufficient given the increased volume of business the bank was handling.

Chart 8.1 Reserves (cash and investments), York City & County Bank, 1830-1883



As chart 8.1 shows, after the 1847 crisis when the reserve fell quite alarmingly to below £2,000, the bank's reserves were steadily built back up again during the 1850s. By 1863 the reserve stood at £475,000 – a proportion of which was composed of Consols. From the mid-1860s however, the value of the reserve was allowed to dwindle. Between 1864 and 1866 alone, cash and investments virtually halved from £419,000 to £248,000. The decline continued until the 1870s. By 1872, York City's reserve was just £123,000 – a quarter of what it had been some ten years ago. Morrell's alarm was reflected by the directors' who straightaway resolved that 'his attention be given to the important duty of strengthening these cash reserves and that all transactions be decided upon with regard to this consideration'.[16] His swift actions, it would appear, arrested a further fall, and it was reported at the end of the year that the bank's cash reserves had been increased to £353,000. As chart 8.1 shows, they were further strengthened thereafter in line with the corresponding increase in business. By 1883, £0.75 million was held by York City in reserves which was the equivalent of one third of its liability to the public.

The next matter Morrell turned his attention to was the bank's practice of granting loans. Until then, advances had been made at branch agents' discretion. As chapter 5 showed, knowledge about customers, and confidence in their creditworthiness, formed the basis on which York City's lending activity was conducted, especially at the branches which handled business that was often specific to the area. The general manager's responsibility was to oversee these transactions which were further monitored by the managing directors, who visited each branch periodically to check on the state of the local economy, and the way in which business was being transacted. Between 1841 and 1851, the managing directors kept a branch minute book to record their observations but it was not systematic or, indeed, comprehensive as the following extracts show:

17 April 1842	*Scarborough* – 'Business of the branch rather on the increase'.
24 March 1842	*Ripon* – 'The accounts are in a prosperous way'.
24 February 1844	*Boroughbridge* – 'A good business doing at the mill'.[17]

Providing business was satisfactory, branch agents were generally left to manage their affairs. Procedure was tightened up following the financial crisis of 1847 but still no exact breakdown of advances was presented to the board. Moreover, loans and overdrafts were sanctioned at the branches for indefinite periods of time which, although suitable for customers affected by seasonal changes, was a problem for the bank when it had to recall advances quickly. For instance, on visiting the Boroughbridge branch in 1841, the managing director, Thomas Price,

[16] *DMB* (Y8), 7 July 1873.

[17] Extracts from the *Managing Directors Branch Minute Book*, York City & County Bank (Y52), 14 April 1842; 24 March 1843; 24 February 1844.

reported: 'business satisfactory but need to reduce gradually the loans'.[18] In attempt to tighten up procedure in this area, it was agreed by the directors on Morrell's advice that 'our practice of granting loans, payable on demand, but really for an indefinite time, be, as far as practicable discontinued and that, in future, such advances be made on notes of hand, not to exceed three months after date'.[19]

By the same token, the bank lacked a comprehensive policy towards securities. Like advances, security requirements were determined, by and large, autonomously from head office. It was another area, however, in which Morrell saw the need for some kind of standardised policy. Matters at the Scarborough branch brought the issue of accounts and securities to a head. In August 1873, managing director, James Meek, wrote to the branch agent, John Leckenby, to inform him that such was the directors' dissatisfaction in this area, they were thinking of voting to withhold his retiring allowance. Within days, Leckenby replied, expressing his surprise at the contents of the letter. 'The Scarbrough securities and accounts are not materially different from what they were when investigated by the Board in the early part of the year' he protested. 'Some securities have improved' he continued, 'while others may have deteriorated but in neither cases arising from causes which I could control'.[20] A report was subsequently prepared by the newly-appointed branch inspector, Mr Harries, as to the precise nature of the accounts and securities held at the Scarborough branch.[21] At the following AGM (1874) Leckenby was commended for his 36 years service and allowed a retiring allowance not to exceed £250 per annum – confirmation, then, that the situation at Scarborough had been turned around.

What this highlighted, however, was the need for some form of standardisation both in the way advances were sanctioned, and the manner in which they were secured. Agents like Leckenby who had laboured for decades at the same branch grew accustomed to conducting business in a manner which had become somewhat outmoded. Business practice long satisfactory to them, however, did not find acceptance with the new management and a way of ensuring both sides understood

[18] *Ibid.,* 3 April 1842.

[19] *DMB* (Y8), 11 August 1873.

[20] *DMB* (Y8), 25 August 1873.

[21] *DMB* (Y8), 15 December 1873.

the basic principles upon which York City's business ought to be conducted was much needed.

By the end of the year, Morrell had drawn up a comprehensive document containing 'instructions to be observed in conducting the business of the branches of the York City & County Banking Co.'[22] It was issued in December 1873 for adoption by branch agents. Amongst other things, it tackled the issue of advances and securities by applying some basic rules to conduct in these areas. In particular, the sanction of loans and overdrafts was, in all but special cases, to come under the closer inspection of the new general manager. 'In all cases of applications for advances or for leave to overdraw accounts' explained Morrell, 'a [designated] form is to be filled up and signed by the branch agent, and transmitted to the General Manager...the General Manager's assent must be received in writing before such advances or overdrafts are permitted.' Moreover, Morrell also demanded the submission of a list of loans at the end of each month from the branch agents detailing the recipient, the amount, and the length of time the money was to be lent for. Agents were asked to sign these forms to make clear who was accountable for their content.

On the subject of securities, more rigorous examination of their value was demanded. 'All deeds &c. proposed to be deposited as security for advances' stated the new instructions 'must, as a general rule be examined and approved by the Bank solicitors, and, if necessary, a valuation by a competent surveyor must be made'. Like advances, securities were also required to be recorded officially: 'Immediately on the deposit of any securities with the Bank' instructed Morrell, 'a proper memorandum of deposit should be duly signed by the party so depositing them...full particulars of the same must be entered in the Register of Securities Book'. Furthermore, special forms were drawn up to record at head office 'securities deposited' and 'securities withdrawn'. More specifically, agents were warned that attention was to be paid when accepting life policies as security for advances: 'take care that the premiums upon life policies...are duly paid' it was stated, 'and the last receipt attached to the policy'.

[22] Morrell's list of instructions to branch agents is reproduced in appendix 8.1.

Rules were certainly tightening up. In fact, the way agents were used to granting advances was turned on its head by Morrell's new policy. Early branch material from Howden, Ripon and Selby shows that, for the most part, agents used their discretion when it came to lending out money, securing such advances as they saw fit. What Morrell's new code did was to remove this autonomy which had characterised the branches up to that point. In this way, business activity across the board was brought into line via a centralised system which operated under the jurisdiction of the head office at York.

Morrell was also keen to establish rules in other areas. In particular, the conduct of the bank's officers came under scrutiny. The new rules spelt out quite explicitly areas in which branch agents and clerks were not permitted to be involved: 'every officer of the Bank is required to abstain from transactions of a speculative character in shares and stocks' it was said, and 'all private loans between customers and officers are especially to be avoided'. Moreover, 'no agent of the Banks shall engage in any business except that of the Company'. This said, it was quite usual for higher ranking officers to become involved in local affairs for which some sort of post of office was awarded. For example, in May 1879, John Harries, agent at Bridlington, was appointed treasurer of the Thirsk Savings Bank. Similarly, some months later, it was reported that Robert Stratten, agent at Hull, had been appointed treasurer of the Local Board at Hornsea. However, outside commercial undertakings were frowned upon, and even non-profit making appointments such as those connected with the Local Boards had to be previously approved in writing by the general manager in the name of the directors.

With respect to personal financial conduct, agents were requested to keep a close eye on clerks' spending habits. 'Should a Branch Agent have reason to believe that any clerk at his Branch is contracting debts beyond his ability to pay' stated the instructions, 'he is required immediately to inform the General Manager thereof, for the information of the Directors'. And at all levels, the document continued, 'no advances must be made to any officer of the establishment, and no Agent is permitted to overdraw his account with the Bank at his own Branch'. In terms of general conduct, both within and outside the Bank, it was made clear that if any agent suspected a clerk of being addicted to gambling or expressing 'intemperate habits' he was required to inform the head office immediately.

Furthermore, Morrell had particularly cautionary words for agents with regard to their conduct in times of 'local excitement' or political and party conflict: 'as the customers of the Bank must necessarily represent all varieties of opinion, and the influence of the Agent is to a considerable extent derived from his position as its representative' he explained, 'the utmost care should be observed that this influence is not used on behalf of any party, and the Agent should confine himself to the unostentatious exercise of his electoral or other public duties'. Officers were reminded of this in October 1879 with the approach of the general election.[23]

As Rae noted, in his experience of managing a joint-stock bank, he was well aware that 'the espionage upon the private conduct of officials...is gall and wormwood to certain of your staff'. However, he reminded readers that 'watchfulness is not synonymous with suspicion' and providing officers' 'tastes, habits, or pursuits...do not interfere with the efficient discharge of his duties', interference was not necessary.[24] Indeed, the way bank officers were required to behave was nothing new as early lectures by J. W. Gilbart show: 'wisdom implies prudence and discretion' he told, 'and these should regulate the conduct of a banker, not merely when engaged in banking transactions, but at all other times'. Like a merchant or tradesman:

> 'He should never engage in those recreations which partake of the nature of gambling, and but seldom in those of a frivolous description. A judge is not always on the bench, a clergyman is not always in the pulpit, nor is a merchant always on 'Change; but each is expected at all times to abstain from any amusements which are not consistent with his professional character'.[25]

However, this was the first time, for York City at least, that these codes of conduct had been expressly stated.

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[23] *DMB* (Y10), 24 October 1979.

[24] George Rae, *The Country Banker*, (1885), p.182.

[25] 'Lectures on the history and principles of ancient commerce' quoted in J. W. Gilbart, *Practical Treatise on Banking. Vol.1.*, (1865), p.21.

The document also contained new rules relating to the confidentiality of customer accounts. In particular, the 'Declaration of Secresy' was amended to read:

> Declaration of Secresy
> "I, the undersigned, an Agent [or Clerk] of the York City & County Banking Company, do hereby declare that I will keep secret and inviolate the knowledge of the affairs of the above Company and of the Customers thereof which shall come under my cognisance as such Agent [or Clerk] of the said Bank, and will not in any way, or at any time, except when engaged in the said Company's business, make the same a subject of comment or remark."

Upon joining the company, new employees were required to sign the declaration to ensure bank business remained confidential. Officers were also reminded that any communications received from the general manager relating to the affairs of the company were to be regarded as strictly confidential, and for their own information and guidance only. The importance of confidentiality amongst other matters was driven home by the publication of George Rae's series of letters in widespread form in 1885. His advice confirmed the rules Morrell had instated, adding that talk amongst country clients ought to be confined to the bank office. 'To discuss the position and prospects of people in the publicity of a market place, even in whispers, is undesirable' he wrote, 'even if it is to talk about the weather and the crops [in the belief that] in this way you might pick up a useful hint here and there as to how some of your agricultural friends were getting on'. Instead, 'these subjects of inquiry ought never to be attempted except in the privacy of your own office; whilst the weather and the crops might be sufficiently gone into at anytime across your counter'.[26]

Morrell's instructions covered a number of other more minor points relating to branch administration, but essentially the blueprint was set for the way business was conducted thereafter. In many ways the code reiterated what was understood generally, but in other areas – especially advances and securities – rules became stricter, and subject to increased regulation. If a tightening up of procedure was beginning to be evidenced at York City during the late 1860s, it was the

[26] Rae, *Country Banker*, p.179.

implementation of Morrell's 'General Instructions' which set the seal on the new way of administering to business.

Morrell also pushed to bring York City into line with other joint-stock banks with regard to dividend payments. In December 1873, the board discussed the idea of paying a half yearly dividend to the shareholders instead of annually. The next AGM (1874) was followed by a special general meeting held to consider altering the Deed of Settlement 'to authorize the payment of half-yearly interim Dividends by the Directors' which they recommended for adoption by the shareholders as being 'in accordance with what is now the general custom of joint stock companies'.[27] The first *interim* dividend payment of £1 5s. per share, or ten per cent, was awarded in June that year.

Morrell's first twelve months as general manager were spent, therefore, reconfiguring the foundations on which the bank operated with respect both to its customers and its staff. By the 1870s, joint-stock banks had been active for over 40 years and what this period saw, therefore, was a consolidation of what had been learnt, and an increasing standardisation of policy across the board. Morrell's changes were a reflection of this, as he prepared to take the bank forward into an era of expansion and diversification.

[27] AGM, *DMB* (Y8), 29 January 1874.

CHAPTER 9

TRANSITION AND CHANGE:
AMALGAMATION AND CONSOLIDATION, 1870-1880

When William Morrell applied for the post of general manager of York City & County Bank in 1873, he promised that, if he secured the position, 'he would regard it as one calling for the exclusive devotion of every talent he might possess, so that no possible point in the proper development of the business should be overlooked'.[1] His promise held good and, by the turn of the century, York City had undergone a complete transformation. Within 30 years, it became one of the largest provincial joint-stock banks in England, with funds of over £10.8 million at its disposal. York City's growth was attributable to the geographical extension of business after 1870 across the region, particularly into the north east, which dramatically altered and diversified the bank's asset portfolio. What follows is an examination of the first decade of York City's post-1870 branching initiatives, and the impact this had on the type of business conducted by the bank.

Between 1830 and 1845, York City had established a network of eight branches and two agencies across the North and East Ridings of Yorkshire. For almost 30 years thereafter, however, the bank's management resisted the temptation to extend further afield, remaining content instead to 'earn the reward of prudence in steadily rising prosperity, without considerable setback'.[2] It was not until 1871 that the bank's branching strategy was resumed with the opening of its new office at Middlesbrough.

Into Middlesbrough

The rise of Middlesbrough as a steel centre during the mid- to late-nineteenth century was quite phenomenal. Until 1831, it was a village with no more than 300 inhabitants. By 1881, the population exceeded 50,000. As a result, 'the expansion could not fail to affect the banks in the neighbourhood'.[3] Indeed, the management of Yorkshire Banking Co. stated quite explicitly to their shareholders in 1879 that

[1] Anne Vernon, *Three Generations: The Fortunes of a Yorkshire Family*, (1966), p.116.

[2] W. F. Crick and J. E. Wadsworth, *A Hundred Years of Joint Stock Banking*, (1936), p.209.

[3] *Ibid.*, p.226.

'the directors have not failed to watch with vigilance the experiments set on foot for making steel out of Cleveland Iron Stone'.[4]

York City & County Bank was approached in August 1870 to take on the account of Thomas Vaughan, ironmaster, of Middlesbrough. After some deliberation, the directors resolved that Vaughan's request be acceded to. An account was opened with an overdraft limit of £50,000 to be covered by the acceptances of 'approved parties'.[5] In March 1871, it was reported that Vaughan's turnover was at least £750,000 per annum and that, as a result, he was permitted to overdraw to the extent of £135,000, £85,000 of which was to comprise approved bills under discount. The difference of £50,000 was to be paid off within two years and the deeds of the South Bank Works were deposited as security.[6]

Three months later, York City's directors expressed their interest in opening a branch at Middlesbrough. A letter written at the turn of the century by a clerk who was employed by York City at this time recalls: 'I know of the opening of the Middlesbrough Branch – This was in the day of Edward Smallwood – General Manager. The Bank was then discounting bills for Bolckow, Vaughan & Co. and it was my duty to keep the Bill Book, and make out a list for the Board Room, once a week. It was, I think, Mr Vaughan who suggested the Bank opening at Middlesbrough'.[7] It is not clear whether Vaughan had a direct hand in the opening of the branch, but in June 1871, the directors reported that 'after having had under consideration for some time the propriety or otherwise of opening a Branch of this Bank at Middlesbrough that such Branch be opened without delay'.[8] David Hill, one of the managing directors, arranged to re-visit the town to make arrangements. In July 1871, Edward Kirby of Whitby and George Chapman of Ripon were appointed agent and clerk respectively of the new branch at Middlesbrough.

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[4] Annual Report, Yorkshire Banking Co. (1879) quoted in Crick and Wadsworth, *Hundred Years of Joint Stock Banking*, p.226.

[5] *DMB* (Y7), 29 August 1870.

[6] *DMB* (Y7), 4 March 1871.

[7] Miscellaneous papers

[8] *DMB* (Y7), 5 June 1871.

Business grew briskly as table 9.1 shows:

Table 9.1 Number of accounts, Middlesbrough branch, York City & County Bank, 1872-1875[9]

Date	Number of accounts
11 May 1872	76
20 September 1872	106
30 November 1872	118
15 February 1873	139
21 April 1873	154
24 November 1873	178
7 March 1874	190
19 June 1875	324
16 October 1875	350

Within four years of opening, 350 new accounts were opened at Middlesbrough, by customers not only from the town itself, but also from Darlington, Stockton, Skelton, Redcar, North Ormesby and Saltburn. In fact, such was the success of the opening at Middlesbrough that in March 1874, arrangements were made to attend at Saltburn-on-the-Sea every Friday in connection with the Middlesbrough branch. Demand for banking provision at Saltburn was also brisk, and within two years a branch was established under the superintendence of W. E. Cass.[10]

Morrell's appointment as general manager in 1873 coincided, therefore, with the bank's first tentative steps back into branch banking. The policy pursued under his jurisdiction thereafter continued this trend by pushing further into the north east, while at the same time consolidating the bank's hold over banking provision in the North and East Ridings.

[9] Figures taken from 'Notes on Middlesbrough Branch', Ripon Memo Book, (Y54).

[10] *DMB* (Y9), 14 February 1876.

The Joint-Stock Boom and the new Branch Bankers

As already discussed, the typical English bank during the first half of the nineteenth century was locally–based with a limited number of branches. Those that branched tended to do so within close geographical proximity, while those having offices on a national basis were wholly exceptional. However, by the mid-1860s, branch networks were beginning to garner favour and by the 1870s and 1880s, expansion in this manner became 'the normal pattern'.[11] What York City found, therefore, was that the characteristic which made it unusual during its formative years, was now becoming conventional and, in order to remain competitive, its management had to ensure it too continued to expand. In fact, the opening at Middlesbrough set something of a precedent, and during the following decade the number of York City's branches and sub-branches (previously 'agencies') more than doubled.

The 1860s saw a boom in the number of joint-stock bank creations in England. According to figures given by Collins, between 1862 and 1866, the number of joint-stock bank branches increased by over one-half; the number of banks rose by one-fifth; and the volume of note and deposit liabilities as a result increased by 80 per cent.[12] The reason for this was two-fold. On the one hand, changes in legislation between 1854 and 1862 created a climate conducive to joint-stock bank formation. As the *Bankers' Magazine* commented in August 1857, the preceding two years had been a period of 'marked prosperity' and 'prodigious development'.[13] In 1854, the London Clearing House took the momentous step of granting joint-stock banks admission which, until then, had been restricted to private bankers. Coupled with the reduction in stamp duty on cheques to a standardised rate, this was, in Sykes' words, an important milestone in the development of a banking *system* 'since it simplified and cheapened and therefore assisted the process of cheque clearing'.[14]

The repeal of the 1844 Joint-Stock Bank Act in 1857 further aided the joint-stock bank cause. The legislation passed in 1844 had imposed strict conditions on the

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[11] Michael Collins, *Money and Banking in the UK: A History*, (1988), p.77.

[12] *Ibid.*, p.74.

[13] *Bankers' Magazine*, August 1857.

[14] Joseph Sykes, *The Amalgamation Movement in English Banking, 1825-1924*, (1926), p.22.

constitution of new joint-stock banks which curbed the speed with which new companies sprung up. During the decade following the passing of the 1844 Act, only two joint-stock banks were formed – the ill-fated Royal British Bank in 1849, and Bucks & Oxon Union Bank in 1853. Thereafter, before the Act was repealed, only five more banking companies were formed – Bank of London, City Bank and Unity Joint Stock Mutual Banking Association (in 1855), and Three Towns Bank Co. and Western Bank of London (in 1856).[15] The *Economist* was particularly disturbed by this material outcome:

> 'To what extent the provisions of these two Acts [Joint-Stock Bank Act and Bank Charter Act] respectively have interfered with the creation of new banks is impossible to say – but we have the remarkable fact beyond doubt, that during the last fourteen years, while the trade of the country has more than doubled, *not a single new bank has been established outside of London*'.[16]

Agitation for an improvement of the banking code led to the repeal of the 1844 Bank Act in 1857 which made existing law relating to joint-stock companies applicable also to banking companies. This removed significant obstacles to further expansion by English joint-stock banks in the 1860s.

And, finally, the overhaul of company law between 1858 and 1862 permitted banking companies to extend limited liability to their shareholders. Very few existing companies adopted limited liability straight away – York City included. Despite discussing the changing legislation at periodical intervals, the directors adopted a 'wait and see' approach proposing only in 1875 to register the bank under Companies Act 1862 as an unlimited company. 'This registration' stated the directors, 'while it will not affect the principle of an unlimited liability of shareholders, will have the effect…of restricting the duration of liability of shareholders ceasing to be such to one year instead of three years, as at present,

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[15] S. E. Thomas, *The Rise and Growth of Joint-Stock Banking, Volume 1, Britain: to 1860*, (1934).p.662, Appendix M, 'Joint Stock Banks in England and Wales, 1826-1961'.

[16] *Economist*, 13 February 1858. It qualified its statement that no joint-stock bank had been formed outside of London by excluding Bucks & Oxon Union Bank since it was 'a mere amalgamation of several private banks'.

and will also give the Bank the advantage of a Corporate Body with a Common Seal'.[17] In fact it was not until 1883 that the principle of limiting the liability of shareholders was adopted. Despite the slow uptake by existing firms, as Collins notes, 'the consolidation and clarification of company law created a major stimulus for the new joint stock bank creations'.[18]

While the boom in joint-stock bank formations during the 1860s undoubtedly owed its existence to favourable changes in legislation, the expansion of banking provision across England and Wales was also a product of movements in the business cycle. From around 1858, the business cycle entered an expansionary phase the upper turning point of which was reached in 1866.[19] Like the mania of the 1830s (see chart 1.3) the joint-stock bank boom of the 1860s coincided with the upswing in economic activity. Indeed, as Collins notes 'some recessions were' on the other hand 'marked by dramatic, if short-lived 'runs' on the banks as customers *en masse* lost confidence and sought to convert their holdings of commercial bank notes and deposits to coin and Bank of England notes'.[20]

It was in an environment of changing legislation and economic prosperity, therefore, that the second wave of joint-stock banks was formed. Unlike their predecessors which had sprung up during the mid-1830s boom, the new banks were more inclined to establish branch networks. Table 9.2 illustrates the growth of the banking sector between 1825 and 1913, showing in particular the number of branches per bank:

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[17] AGM, *DMB* (Y9), 28 January 1875.

[18] Collins, *Money and Banking in the UK*, p.74.

[19] See: Michael Collins, 'English banks and business cycles, 1848-80', in P. L. Cottrell and D. E. Moggridge (eds.), *Money and Power: Essays in Honour of L. S. Pressnell*, (London, 1988), pp.24-27.

[20] Collins, *Money and Banking in the UK*, p.81.

Table 9.2 Number of banks and branches, England and Wales, 1825-1913[21]

Date	England & Wales Private banks			England & Wales Joint-stock banks		
	No. of banks	No. of offices	No. of offices per bank	No. of banks	No. of offices	No. of offices per bank
1825	650	650	1.0	0	0	-
1850	327	518	1.6	99	576	5.8
1875	236	595	2.5	122	1364	11.2
1900	81	358	4.4	83	4212	50.7
1913	29	147	5.1	41	6426	156.7

The data in table 9.2 throw up a number of points. The first, and most obvious, trend is the move towards branch banking by joint-stock banks evidenced from the mid-1870s. In England and Wales, the average number of branches managed by joint-stock banks in 1850 was around six. Through the next half-century, this average rose to 50 branches per bank, signifying a dramatic change in the constitution of joint-stock banks. The reasons for this are several.

Communication Improvements

Improvements in communications certainly facilitated the expansionary plans of joint-stock banks. The 1860s saw the third phase of intensive railway building across the country which linked up smaller towns and villages to the national network.[22] As a number of earlier branchers found, extensions into areas which were not well served by transport links were more difficult to control which, in a number of cases, proved to be their downfall. York City's first phase of branch banking was carried out in towns which not only lay on the post roads, and later the rail network, but in areas due a stimulus or revival by improved transport links – the tourist trades of Scarborough and Whitby being a case in point.

[21] Figures taken from Collins, *Money and Banking in the UK*, p.56.

[22] Cottrell and Newton, 'Joint-stock banking in the English provinces 1826-1857: to branch or not to branch?', p.127.

In the same way, the resumption of branch banking by the bank's management during the 1870s was undoubtedly driven, in part, by the same forces. For example, the coastal town of Hornsea was opened up by a rail link in 1864 prompting York City's management to announce that a weekly attendance would commence 'as soon as suitable arrangements can be made'.[23] Similarly, attendance was commenced at Tadcaster on Mondays shortly after the completion of the line linking the town to Harrogate.[24] And nowhere was the impact of the transport revolution on branch banking made more explicit than on the opening of the bank's Knaresborough branch. 'Arrangements are to be made' announced the directors in 1875, 'for attendance at Knaresborough in connection with the Harrogate and Boroughbridge branches'.[25] The town was visited by Mark Mountain, the Boroughbridge agent on Wednesdays and, proving a successful venture, the directors reported at the following Annual General Meeting that 'owing to the completion of the Branch Railway' a weekly attendance had been commenced there on market days.[26]

Branch Deposit Banking

As already discussed, joint-stock bank formation also received a stimulus from the various changes in legislation implemented between the late-1850s and early 1860s. Banking business was shaped, in particular, by the introduction of a uniform stamp duty on cheques in 1854 coupled with the facilitation of country clearing in 1860. This made the use of cheques cheaper and easier which led to a growth in the use of current accounts (see chapter 3). Further emphasis was placed, therefore, on deposit accumulation and their mobilisation by overdraft.[27] As Pressnell noted of early branchers, they tended to be based in agricultural areas where, in order to collect enough funds, banks had to cast their net widely across the sparsely populated countryside to attract the same amount of custom that might be achieved in just one densely populated city. In the same way, 'English banking

[23] *DMB* (Y9), 7 March 1876.

[24] *DMB* (Y7), December 1872.

[25] *DMB* (Y8), 30 March 1875.

[26] AGM, *DMB* (Y9), 20 January 1876.

[27] Cottrell and Newton, 'Joint-stock banking in the English provinces 1826-1857: to branch or not to branch?', p.127.

accelerated [during the 1860s] to amass deposits'.[28] At this time, banks were chiefly concerned with the collection of deposits and the transmission of funds. It was imperative, therefore, that they established branch networks in order to capture new custom which allowed them to achieve economies of scale. It was during the 1860s, therefore, as Cottrell and Newton note, that 'English banking began to acquire the character with which it was later to become synonymous – corporate branch deposit banking'.[29]

Given the ever-present competition in the area, from established joint-stock banks, new entrants to the market and, to a lesser extent, the remaining private bankers, York City's branching strategy was driven by the need to adopt this approach. Many towns in north and east Yorkshire had yet to receive banking provision by the late 1860s and it was important that the bank exploited the new openings created by communication improvements to reach these places before its competitors. As comments made in the board minutes reveal, the bank's management kept a very close eye on any developments that might materially affect the profits at any of the branches. In 1874, for example, the directors expressed their alarm at the possibility of Scottish banks – long used to the tradition of branching – being allowed to open additional offices in England. A memorial on behalf of English banks was sent to the Chancellor of the Exchequer 'to resist the opening of Branch Banks in England by the Scotch Banks' which the Chairman, James Meek, duly signed on behalf of York City's directors.[30]

It was not just the banks across the border that posed a threat. National Provincial Bank of England was rapidly building up a truly 'national' network and it was reported in December 1876 much to York City's chagrin that the bank intended to open a branch at Whitby on the 18th of that month. And finally, despite the friendly relations maintained between York City & County Bank and neighbouring firm, York Union Bank, it was noted in October 1876 that Union Bank had purchased a property at Scarborough in anticipation of their opening a branch there. While this implied increased competition for banking provision in the town, York City's management did not dwell on the fact, announcing briskly that

[28] *Ibid.*

[29] *Ibid.*

[30] *DMB* (Y8), 16 March, 1874.

enquiries were to be made respecting the advisability of establishing more branches of its own at Lofthouse, Richmond and Burlington [Bridlington].[31]

The Decline of Private Banking

By the mid-1870s, therefore, York City's management had resumed branch banking with gusto. This reflected the growing trend nationally for networks. Between 1860 and 1875, 24 new joint-stock banks were established, and this rush of new promotions was underlined by constitutional changes amongst existing banks, prompting the *Bankers' Magazine* to comment that 'the Banking Mania has fairly set in'.[32] What this implied, however, was a further encroachment into the private bankers' shrinking sphere. As early as 1865, one observer presciently commented that the extinction of private banks was 'a mere question of time'. This was confirmed by Thomas Salt, President of the Institute of Bankers, in 1891 who stressed that business 'has greatly changed from its old, easy, comfortable character: the private banker has the feeling that his day is past. His great joint-stock neighbour overshadows and disturbs him...'[33]

As table 9.2 shows, the number of private banks in England and Wales diminished quite dramatically during the latter half of the nineteenth century. By the turn of the century, only 81 private firms remained – just one eighth of the number recorded to be in existence in 1825. The situation was summed up by Pressnell in the closing chapter of his study of country banking:

> 'The Bank Charter Act was accompanied by a measure which served to relieve country bankers temporarily from some of the competition of joint stock banks. This second Act hedged the formation of joint stock banks with considerable difficulties, and laid down provisions to control their activities. The result was to prevent the establishment of more than a handful of new banks along these lines before 1857, when the offending Act was repealed. Thereafter, the power of the joint stock banks grew, and

[31] 16 October 1876, Y9.

[32] *Bankers' Magazine*, 1862.

[33] Thomas Salt, M.P., in *Journal of the Institute of Bankers*, December 1891, quoted in Sir John Clapham, *An Economic History of Modern Britain. Machines and National Rivalries (1887-1914)*, (1951), p.280.

> the growth accelerated during the last decade of the century, as banking expansion passed into a phase of aggressive empire-building. It was only a matter of time before the old banks disappeared. They simply could not compete with the large advances and wide range of services offered by vast countrywide systems of branch banks.'[34]

Indeed, his last comment is highlighted quite clearly by table 9.2 which shows the distinct lack of private bank branch networks. During the first half of the nineteenth century, it was unusual for a private bank to manage more than one additional office. By 1900, the number of extra offices had risen only slightly to an average of four. Since joint-stock banks, in contrast, were more predisposed to branch banking, particularly during the last quarter of the nineteenth century, it thus followed that they undertook more business than their private counterparts, making them larger and financially stronger. The decline in private banking did not occur through the failure of large numbers of firms, however. Most were absorbed by the joint-stock banks to create larger consolidated concerns. Indeed, as chapter 3 pointed out, York City & County Bank's first phase of branch banking (1830-1845) was conducted almost entirely at the expense of the decline in private banking. The branches at Selby, Howden, Boroughbridge, Ripon and Whitby had owed their establishment to private banks which had either failed, creating vacancies, or which relinquished their business in favour of York City. In much the same way, the bank's post-1870 branching strategy picked up where this left off, extending the branch network by resuming its absorption of private banking houses. However, whereas the bank's attitude towards branch banking during its formative years might be described as somewhat passive, its management's post-1870 stance was altogether more aggressive, with the bank making a beeline for strategically placed firms in order to acquire their business.

The first private bank acquired by York City under Morrell's leadership was the Thirsk branch of Jonathon Backhouse & Co. in 1873. The banking establishment of Backhouse & Co. dated back to 1774, when James Backhouse and his son Jonathon, linen and worsted manufacturers at Darlington, began to extend, almost unintentionally, accommodation of a banking nature to tradesmen and farmers in the area. This eventually culminated in their opening a properly constituted bank

[34] L. S. Pressnell, *Country Banking in the Industrial Revolution*, (1956), p.510.

at Darlington under the title James and Jonathon Backhouse & Co. When James, the founder, died in 1798, the firm became Jonathon Backhouse & Co, the title which it thereafter retained. The failure of Mowbray, Hollingsworth & Co., principal bankers at Durham some years later, left the town bereft of banking accommodation. Backhouse & Co. seized the opportunity to fill the vacancy by opening a branch there in September 1815. By 1825, the trade of Newcastle had increased significantly to the extent that banking provision there was becoming insufficient. In April that year, therefore, Backhouse & Co. opened a branch at Newcastle. Around the same time, they opened a branch at Stockton, and soon afterwards extended to South Shields. In fact, the importance of the bank's developing branch structure can be seen as early as 1817 when Backhouse & Co. took out a Bankers' Licence which covered the following towns:

> Darlington, Askrigg, Bedale, Barnard Castle, Bishop Auckland, Easingwold, Guisborough, Northallerton, Reith, Richmond, Kirby Moorside, Sunderland, Staindrop, Stockton, Thirsk and Yarm.[35]

Having weathered the storm of 1825-6, the firm continued into the era of joint-stock banking. As Banham notes in his study of the Backhouses:

> 'as the joint stock era dawned, and the third generation of Backhouse & Co. were nearing the end of their careers, the next generation were being handed a thriving private bank based on Darlington railways, collieries and shipping'.[36]

The business thus built up was naturally attractive to newly established joint-stock banks in the area and in 1836 the Newcastle business of the firm was disposed of to Northumberland & Durham District Bank. Shortly after, the firm's branches at Sunderland and South Shields were also transferred to the Durham bank. In the same way, the Thirsk branch of Backhouse & Co. was given up in favour of York City & County Bank.

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[35] J. D. Banham, 'Business Development and Banking in North East England 1755-1839', *Unpublished Ph.D.*, Sunderland University, (1997), p.210.

[36] *Ibid.*, p.221.

In July 1873, a correspondence with the Darlington bank respecting the proposed transfer of their Thirsk business was discussed by the board.[37] Morrell wrote to the company for further information. A further correspondence from Backhouse & Co. was received some days later and, it having been read, the directors and general manager agreed unanimously that the chairman, James Meek, along with William Morrell, should go to Darlington to discuss the purchase of the Backhouse business at Thirsk 'on such terms as appear advisable, with power to complete the bargain'.[38] The outcome was reported at the next board meeting, Meek stating that 'the Thirsk business of Messrs. Jonathon Backhouse & Co. had been purchased for £5,000 including the office furniture and their freehold premises in the Market Place at Thirsk' and that 'business would be commenced and the transfer effected on Monday the 18th August'.[39] A week later, the following information was distributed regarding the Thirsk branch:[40]

York City & County Bank, Head Office, York
16th August 1873

I have the pleasure to refer you to the accompanying Circular from our friends Messrs. J. Backhouse & Co., announcing that they have arranged to transfer their Banking Business at Thirsk to this Company.

In pursuance of this arrangement, we propose to place the balance now standing to your credit with Messrs. J. Backhouse & Co. to the credit of your accounts with the York City & County Bank, and any cheques of yours which may be afterwards presented that are drawn on Messrs. J. Backhouse & Co., will be paid in the ordinary course, and charged to your account with this Company. Mr Augustus Gerald Duncombe, of the North Eastern Bank, Newcastle-upon-Tyne, has been appointed by the Board of Directors of this Company, to be their Agent at this Branch.

[37] *DMB* (Y8), 28 July 1873.

[38] *DMB* (Y8), 30 July 1873.

[39] *DMB* (Y8), 6 August 1873.

[40] *DMB* (Y8), 11 August 1873.

The transfer of the Backhouse business to York City was speedy and amicable, and it was reported to shareholders at the following Annual General Meeting that 'the results have been entirely satisfactory'.[41]

After the Thirsk transfer, York City's management actively sought further opportunities to acquire business in this manner. In 1876, it was reported that an intimation had been given that Simpson & Co., bankers at Whitby, were on the eve of retiring from business. The bank's solicitors were instructed to write and inform them that '[York City] would be glad to treat with them'.[42] Within a week, Simpson & Co. replied, stating that 'the report that they were disposed to retire from business was not correct'[43] and therefore no negotiations would be entered into with the bank.

Simpson & Co were another old private firm, established some time prior to 1785 by Wakefield Simpson, a draper and grocer at Whitby who 'did banking business' in a 'small counting house off his shop in the Market Place'.[44] In 1785, he took as his partner Abel Chapman, a member of a wealthy and influential Whitby family, and together they commenced regular banking business. After the death of the founder members, their sons carried on the business. In fact, the death of John Chapman (Abel Chapman's son) in 1876 followed a year later by Henry Simpson jun. (great-grandson of Wakefield Simpson) probably set the rumours in motion that the firm was about to retire. In 1890, 'Simpson's Bank, which had become a household word in Whitby for over a century or more' was purchased by York Union Bank. A testament to the extraordinary reputation for reliability of the private house was expressed by Maberly Phillips in 1894 who recalled the incident of a friend who went to Mrs Wilson, Esk Inn, Bog Hall, Whitby in 1855 where he was well-known, asking her to change a Bank of England £5 note. She apparently replied:

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[41] AGM, *DMB* (Y8), 29 January 1874.

[42] *DMB* (Y9), 20 November 1876.

[43] *DMB* (Y9), 27 November, 1876.

[44] Maberly Phillips, *A History of Banks, Bankers and Banking in Northumberland, Durham and North Yorkshire*, (1894), p.373.

> 'No! I'll ha' nought to do with them things, I knaw nought about them; now if it had been a "Simpson", I would ha' changed it with pleasure'.[45]

In this instance, therefore, York City's attempt to acquire a respectable and well-known private house failed through ill-timing and poor information. The later purchase of the firm by York Union shows that competition to expand in this way was becoming intense. To reiterate Pressnell's words, the latter quarter of the nineteenth century was being given over to 'aggressive empire-building' by the joint-stock banks.

In fact, at no point was York City's increasingly aggressive approach more evident than in its takeover bid for Harding & Co. during the 1870s. Harding & Co. were a private firm based in the East Riding of Yorkshire with branches at Bridlington, Bridlington Quay, and Driffield. In October 1876, the board convened to discuss the benefits of entering into discussions with Harding & Co. for the purchase of their business at Bridlington and Driffield. The desirability of establishing a branch at Bridlington had been mooted before, and there was talk of purchasing premises at the Quay to open a branch there.[46] Before acting, York City's management wrote once more to Harding & Co. to 'ascertain their intentions about the negociations as to the sale of their business'.[47] The following letter was received from the private bankers in reply:[48]

[45] *Ibid.*, p.376.

[46] *DMB* (Y9), 16 October 1876; 23 October 1876.

[47] *DMB* (Y9), 11 December 1876.

[48] *DMB* (Y9), 19 December 1876.

Burlington, 19 December 1876

Dear Sir,

I would have answered your letter of the 13th sooner, but was unfortunately obliged to leave home.

We do not feel inclined to part with our business at present, but should we, at anytime, see our way to do so, and you are, at the same time open to purchase, we shall be very glad to arrange terms with you.

Should you determine to come down here at once, as you suggest, I hope we may still do business together on friendly terms.

E. R. Harding

Having read the letter, the plans for opening a branch at Bridlington Quay were temporarily postponed. By March 1877, however, the matter was taken up again by York City's management who expressed a renewed interest in moving to Bridlington. By April, suitable premises were found at 28 King Street, Bridlington Quay, which were up for sale by Mr Dobson. Providing they could be secured for £700, it was reported that the bank would purchase. Plans were drawn up by Mr Atkinson, architect, for adopting the premises for a bank office. These were duly approved by the board at the end of April 1877. At the same time, York City's management wrote again to Harding & Co. informing them of their intentions to open a branch at Bridlington, and seeking clarification, once again, on their 'position of negociations'.[49] Meanwhile, another property suitable for a branch, at a cheaper price, was offered to the bank by Alfred Padgett. Nor further action was taken over Bridlington, however, until York City's directors heard back from Harding & Co. In September 1877, the bank received the news they had been pressing for. 'The negociations for the purchase of Messrs. Harding & Co's business at Burlington and Driffield are reported' stated the directors. The agreement in accordance with the memoranda exchanged between G. E. Harding and the general manager was ordered to be prepared by the bank's solicitors, and the terms of purchase were laid out thus:

[49] *DMB* (Y9), 28 May 1877.

'the payment for good will to be 480 shares in the Bank at par and either £9,000 or £10,000 in cash as may be afterwards determined. Messrs. Harding to guarantee certain accounts and Mr. G. E. Harding to be appointed Local Director at a salary of £400 a year to be increased as the profits allow. The profits are to be shown to amount to £6,000 a year'.[50]

These terms were forwarded to Harding & Co. for their recommendation so that the arrangement could be carried through at the earliest possible date.

In December, the private bankers submitted a statement of their annual profits to York City. This showed that, for the preceding four years, the average profit had been £6,365 (from which £840 was deducted for profit on items which could not be transferred) and it was decided that, on corroboration of the figures, the agreement would be signed. On the final day of 1877, William Morrell reported that, after an interview with G. E. Harding, he had signed the agreement for the purchase of the business on behalf of the bank. The consideration was to be £12,000 in 480 shares of York City at par, and £9,500 in cash.[51] On 7 January 1878, the directors stated:

'The transfer of Messrs. Harding & Co's business at Burlington, Burlington Quay and Driffield was reported as having been effected on the 1st January when the circulars were issued'.[52]

The announcement was officially made, it being impressed by Morrell on the customers at Bridlington that:

'I have pleasure in stating that Messrs. Harding will continue to take an active interest in the management of the business, Mr George Edward Harding holding the appointment of Local Director. We can therefore assure you that your interests will thus have the same attention they have received in the present time - William Wilberforce Morrell'.[53]

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[50] *DMB* (Y9), 24 September 1877.

[51] DMB (Y9), 31 December 1877.

[52] DMB (Y9), 7 January 1878.

[53] *Ibid.*

It was just left, therefore, for Harding & Co. to inform their long-standing customers at Bridlington and Driffield of the handover:

> 'We have the pleasure in informing you that owing to the termination of our present partnership with the current year, we have made arrangements for the amalgamation of our business with that of the York City & County Bank on the 1st January 1878. We feel this to be a fitting opportunity for expressing our sincere thanks for the confidence which has been reposed in us for so long a time by our friends and connections, and we trust that the same support will be continued to us in conjunction with our friends, the York City & County Bank, which we have always hitherto enjoyed under the firm of Harding & Co. It is not our intention to discontinue our connection with the business as we still hold a large share in it, and shall continue to pay the same attention to the management of it as heretofore. Trusting ere long to have the pleasure of thanking you personally for your confidence and support – Harding & Co.[54]

The expansion of York City's scale of operations through the absorption of smaller, private concerns mirrored the trend for amalgamation and concentration at a national level. As Collins notes, 'the sheer attractiveness of "bigness" [was] an advertisement of security and prestige'.[55] Mergers and takeovers were the main ways in which banks during the latter half of the nineteenth century were able to increase their branch networks and 'for the commercial banking sector as a whole they proved to be major techniques for achieving growth in scale and of concentrating market power into the hands of fewer and fewer firms'.[56] As Capie and Rodrik-Bali found in their study of concentration in British banking, the most common type of merger was that of a private bank and joint-stock bank. According to their estimates, more than half of all mergers between 1870 and 1920

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[54] Letter written 31 December 1877.

[55] Collins, *Money and Banking in the UK*, p.77.

[56] *Ibid.*, p.78. For discussion on amalgamation and concentration in British banking see: Forrest Capie and Ghila Rodrik-Bali, 'Concentration in British Banking 1870-1920', *Business History*, Vol. 24, No.3, (1982) and Lucy Newton, 'English banking concentration and internationalisation: contemporary debate, 1880-1920', in Sara Kinsey and Lucy Newton (eds.), *International Banking in an age of Transition: Globalisation, Automation, Banks and their Archives*, (1998).

were of this kind. The acquisition of joint-stock banks by private banks was virtually unheard of, only two examples being evidenced. Private banks often combined as defence against takeover by joint-stock banks, while joint-stock banks often merged with other joint-stock banks to form large firms which were capable of achieving economies of scale.[57]

Amalgamation and Concentration

Absorption of a joint-stock bank was attempted unsuccessfully by York City's management in 1877 when they were approached by Knaresborough & Claro Banking Co. with a view to relinquishing their business in favour of York City. Knaresborough & Claro had been formed in 1831 and was, therefore, part of the first wave of joint-stock banks to be established in Yorkshire. By 1836, a modest branch network, clustered around the head office at Knaresborough, had been assembled, including: a branch at Ripon, agencies at Easingwold and Pateley Bridge, and attendance at Wetherby and Boroughbridge one day per week. Acquisition of the business would have been a boon for York City since it would have taken them into the West Riding – albeit the non-industrial, market towns – which had hitherto been untouched.

A proposal was received from the directors of Knaresborough & Claro in December 1877 offering 'to recommend their shareholders to transfer their bank to the York Bank'. Their terms were as follows:

> '£20 capital stock in the York Bank (£60) to be considered as issued on 1st January next plus cash (£4) to be given for each £20 share of the Claro Bank – fractions of shares to be bought or sold at the same rate – the £64 to include any accrued Dividend of the Claro Bank. In the case of retiring shareholders £60 per share and accrued interest at the rate of 15 per cent per annum from 12 October last, to be paid'.[58]

York City's management read the proposal with interest and agreed unanimously that the offer be accepted. The managing directors were authorised to take the necessary steps to complete the arrangement.

[57] Capie and Rodrik-Bali, 'Concentration in British Banking 1870-1920', p.282.

[58] *DMB* (Y9), 31 December 1877.

Knaresborough & Claro's directors duly put the proposal to their shareholders at the following Annual General Meeting. Whincup and Sweeny, two of the Knaresborough & Claro's directors, reported back, however, that 'their Board had found, to their great regret, that they could not command the complete support to their proposed scheme of amalgamation which they had hoped and that they were therefore reluctantly compelled to abandon it'.[59] In fact Knaresborough & Claro remained an independently operating joint-stock bank until the twentieth century. It was eventually absorbed in 1903 by National Provincial Bank. York City, meanwhile, had to wait a further five years before the opportunity to merge with another joint-stock bank arose. In 1883, the successful takeover of Darlington District Joint-Stock Bank was completed, marking the start of intensive amalgamation activity by York City.

In the meantime, however, undeterred, York City's management pushed on with their branching strategy, looking for further opportunities to seize ready-made networks, and openings where they could continue to establish their own branches. Indeed, the final major branch opening during the 1870s was York City's venture into Hull. Until then, despite Hull's close proximity to York, and the transport links to the port which had been established early on, Hull had been largely ignored by York City's management. As table 1.1 shows, Hull had always been well served in terms of banking provision, even before 1826. By 1838, *White's Directory* lists nine banks operating at Hull, a number of which were long-established: Bank of England branch; Harrison, Watson & Co.; Pease & Liddell; Old Bank; T. & R. Raikes & Co.; East Riding Bank; Samuel Smith Brothers & Co.; Yorkshire District Bank; Yorkshire Agricultural & Commercial Bank; and Savings Bank. Indeed, as Jackson comments in his study of the port, 'banking in Hull was almost a century old in 1800'[60] so by the time the joint-stock banks arrived, it was no longer a novelty. Neither York City nor York Union, Hull's most neighbourly joint-stock bankers, established a branch until later on, suggesting that banking provision was adequately supplied there during the first half of the nineteenth century, leaving little room, therefore, for new entrants into

[59] *DMB* (Y9), 14 January 1878.

[60] Gordon Jackson, *Hull in the Eighteenth Century. A Study in Economic and Social History*, (1972), p.232.

the market. This is confirmed by Jackson who pointed out that by the nineteenth century, 'the [early private] bankers [had become] the unchallenged arbiters of the town's finances, accepted and respected by great merchants and small depositors alike'.[61] Moreover, Hull was a bustling commercial port, and until 1870, York City's foray outside its agricultural domain had been both rare and calamitous. Hull bankers were used to current accounts being alternately depleted and replenished by the normal process of trade and most, typically, loaned funds not only in and around the port, but in London and also abroad. Movement into Hull, therefore, did not become a real possibility until after 1870, by when the bank's management, by gradually consolidating its hold over the North and East Ridings, was ready to take advantage of what it had thus far learnt, to expand further afield.

In February 1875, William Morrell travelled over to Hull to ascertain the practicability of establishing a branch bank at the port. Upon reporting his findings to the board, it was resolved that a branch bank be immediately established. Robert Stratten was appointed agent and given authority, thereon, to sign bills and notes on behalf of the company – a sign that some autonomy was being given to the new manager who knew well the business of the area.

It would seem that the opening of the Middlesbrough branch in 1871 had set something of a precedent. During the following decade, the number of branches and sub-branches at York City more than doubled. By 1880, the bank could count amongst its number, seventeen branches and eleven sub-branches. While transport improvements allowed the bank to extend further afield, its policy, essentially, was a continuation of that exercised between 1830 and 1845, namely merger and takeover. However, while this was highly unusual during the first half of the century, making the York bank somewhat atypical and indeed, progressive, the practice was becoming increasingly conventional by the 1860s as banks sought to expand and consolidate their empires. After 1870 York City became increasingly representative of the 'joint-stock type' which was being force to think regionally and nationally rather than locally if it hoped to survive.

[61] *Ibid.*

CHAPTER 10

TRANSITION AND CHANGE: IRON AND STEEL - INTO MIDDLESBROUGH

'Yorkshiremen, as well as Yorkshire minerals, had much to do with the Industrial Revolution' wrote Tate and Singleton.[1] However, it is the West Riding which is typically associated with laying the foundation of modern industrial development in Yorkshire during the late eighteenth and early nineteenth century. The textile industry and the manufacture of iron and steel were long-standing West Riding staples, which drew on the abundant natural resources of the county and, in turn, supported a number of subsidiary trades. In the North and East Ridings by contrast, people primarily worked on the land. The census returns of 1831 describe the North and East Ridings as being 'entirely agricultural' with the exception of Hull, while even that place 'had only the manufacture indispensable at an active sea-port'.[2] The area which York City & County Bank served between 1830 and 1870, was, therefore, made up of market towns where people were principally engaged in agriculture.

In 1870, the bank's management turned its attention away from the agricultural community and looked north towards Middlesbrough with a view to entering, for the first time, an investing rather than saving area. The opening of the Middlesbrough branch in 1871 proved to be a catalyst in the bank's development, in terms of both its branching strategy (see chapter 9) and the changing nature of its asset distribution. What follows is an examination of York City's move into Middlesbrough and the beginnings of its increasing commitment to industrial finance thereafter.

Industrial Finance

The subject of industrial finance, particularly during the last quarter of the nineteenth century, has, in historical perspective, proved a contentious issue. In particular, considerable criticism has been laid before the banks for either failing to provide medium- and long-term loans to industrial companies or to act as

[1] W. E. Tate and F. B. Singleton, *A History of Yorkshire*, (1960), p.47.

[2] W. F. Crick and J. E. Wadsworth, *A Hundred Years of Joint Stock Banking*, (1936), p.199.

intermediaries in the capital market which, in turn, has been seen to have contributed in part to Britain's relative decline.[3] Two sides may be taken to this debate. On the one hand, it is argued that, if the firms did not demand long-term capital from external sources, the banks cannot be said to have failed them. In this way, supporters of the banks believe that the market responded in an appropriate manner to the demands placed on it. On the supply-side, however, critics argue that financial markets failed industry because the banks were averse to long-term loans and investments, preferring instead to remain 'liquidity conscious'.

In particular, British banks are compared unfavourable to those in Germany which are said to have given far greater support to domestic industry. The point was picked up in 1917 by H. S. Foxwell who wrote 'the German banking system, from its first inception in the 'fifties, has devoted its resources mainly to [industrial finance], and with remarkable success'. He contrasted this to British banks where 'everything is sacrificed to liquidity' meaning that industry could not secure the funding it required. Critics cite particularly the crisis of 1878 as an important turning point in the development of British banking. They argue that the shock that reverberated through the banking system as a result made British banks risk averse, meaning liquidity concerns took priority over the provision of domestic industrial funds. What follows is a discussion of York City's shift into industrial finance during the 1870s, and the way in which the firm became closely interlinked with the fortunes of its industrial customers at Middlesbrough. The crisis of 1878 will also be considered, and the lessons learnt thereafter by the bank's management about the type of assets held.

From Iron to Steel

As Crick and Wadsworth note, 'it was during the 'seventies that the second group of Yorkshire's major industries experienced remarkable expansion, for this was the decade in which a general change-over from iron to steel began to take effect in many sections of industrial activity'.[4] An idea of the importance of Britain's iron and steel production during the last quarter of the nineteenth century is shown in table 10.1:

[3] See: P. L. Cottrell, *Industrial Finance 1830-1914: The Finance and Organisation of English Manufacturing Industry*, (1979), pp.194-247.

[4] Crick and Wadsworth, *Hundred Years of Joint Stock Banking*, p.225.

Table 10.1 British iron and steel production, 1870-1914 (annual averages, million tons)[5]

Period	Pig iron		Steel	
	Output	% of world	Output	% of world
1870-4	6.38	47.6	0.43	43.9
1880-4	8.16	40.8	1.79	32.7
1890-4	7.28	28.5	3.14	24.6
1900-4	8.64	20.2	4.95	15.1
1910-4	9.50	14.9	7.20	10.8

What this shows is that, despite continuous expansion in production of iron and steel in Britain, the industry was declining in terms of world output from its position of unrivalled dominance in 1870. What is also shown, however, is the increase in output of steel in Britain between 1870 and 1914. Whereas just under 0.5 million tons were produced on average annually between 1870 and 1874, by the turn of the century, this had risen to five million tons.

The move from iron to steel owed its transition to improvements in the manufacturing process of steel which significantly lowered production costs. For almost all purposes, steel had been proved to be superior to iron. Steel is an alloy of iron and carbon – it is harder and stronger than wrought iron which contains no carbon, but much less brittle than cast iron, which has a higher carbon content. Despite its obvious advantages, however, steel manufacture did not take off until the last quarter of the nineteenth century. This was because it was expensive to manufacture. For example, in 1850, pig iron cost around £3-4 per ton, while the price of steel was around £50 per ton. As a result, the demand for a malleable iron was met by wrought or 'puddled' iron. Puddlers, therefore, became an important part of the industrial workforce during the nineteenth century. However, owing to the gruelling nature of the work, it was said that the average life span of Sheffield puddlers around 1860 was just 31 years. Puddling was also difficult to mechanise so a cheaper alternative in steel manufacture was sought.

[5] Sidney Pollard, *Britain's Prime and Britain's Decline. The British Economy 1870-1914*, (1989), p.27.

During the late 1850s, Henry Bessemer announced his revolutionary process for making steel which moved the industry away from the small-scale, labour-intensive Huntsman crucible process. The growing use of steel thereafter owed much to further technical developments made after Bessemer of which William Siemens' regenerative gas furnace and open-hearth process were of major importance. Such a furnace was introduced at Ormesby, near Middlesbrough, in 1860, with the result that temperatures were increased to 256°C – a never-before achieved feat, which allowed the output of pig-iron to increase by 20 per cent. Straight away Siemens pointed out that the furnace could be adapted for steel making. In fact the application of Siemens' open-hearth process made the possibilities of large-scale steel production finally realisable. However, the open-hearth process still left the unsolved problem of phosphoric ores. Until the 1870s, ore containing phosphorous rendered two thirds of iron ores in Britain useless. This difficulty was overcome by S. P. Gilchrist and J. G. Thomas who realised the celebrated Gilchrist-Thomas process in 1879 which made possible the employment of phosphoric ore.

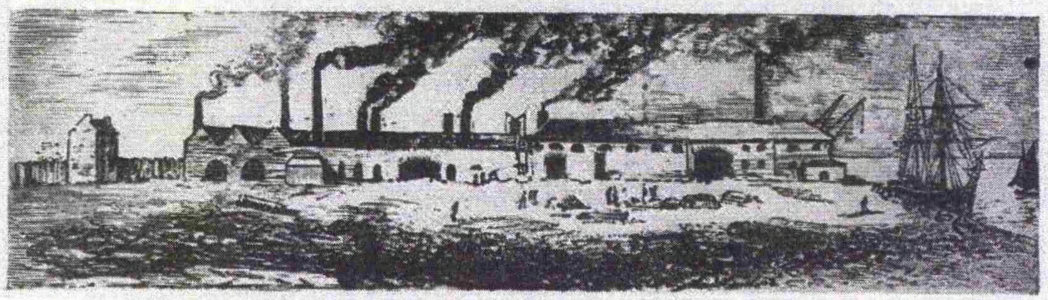
The effect of these new inventions was far-reaching. By the 1870s, new steel producing centres were becoming established across the country, and in Yorkshire too, sweeping changes were occurring. In Sheffield, the new methods of production were quickly adopted, financed to a large extent by the West Riding banks.[6] Further north, the rise of Middlesbrough, as a steel centre was equally spectacular.

Into Middlesbrough

Middlesbrough was established as coal-exporting town. In 1830 it was shipping 281,960 tons; by 1840 this figure had reached 1,500,374 tons. The development of the railway contributed to its early success but it also led to its decline in terms of coal exports. As the rail network began to extend to other ports, the coal trade diminished and, by 1853, the town was exporting just 370,000 tons per year. It was fortuitous, then, that at the same time, John Vaughan discovered iron ore in the Cleveland Hills. He and Henry Bolckow, who had been in partnership as bar

[6] Crick and Wadsworth, *Hundred Years of Joint Stock Banking*, pp.225-6.

iron founders since 1839, erected two blast furnaces in 1850, commencing the Middlesbrough works which marked the beginning of the town's 'Iron Age'.



The Middlesbrough works of Bolckow and Vaughan, c.1850.

Furnaces were soon erected along the banks of the Tees and in 1850, the production of iron reached 13,000 tons; by 1853 this had risen to 64,500 tons.[7] Between 1850 and 1870, the world demand for iron was such that by 1864 there were four firms in Middlesbrough with 188 puddling furnaces and an annual productive capacity of about 100,000 tons of finished iron. By 1872 there were around 1,000 puddling furnaces with a capacity for producing annually 444,000 tons of manufactured iron – most of which was iron rails. In fact, as Lillie comments, 'the great demand for iron rails was an important factor in the rapid development of the district as an iron smelting area and it was during the years 1850 to 1871 that there were laid the foundations of the commercial and industrial importance of Middlesbrough'.[8] From the mid-nineteenth century, therefore, Middlesbrough was becoming a player on the world stage. The discovery of iron ore which transformed Middlesbrough's fortunes was described as an amazing feat of English enterprise:

> 'It is a town which has won a name without a history, is important without antiquity, and commands the attention of statesmen by the magnitude of its commercial activities. It has crept out of the Cleveland Hills where it has slept since the Roman days and now, like a strong invincible serpent, coil

[7] William Lillie, *Middlesbrough 1853-1953. A Century of Municipal, Social and Industrial Progress*, (1953), pp.10-11.

[8] *Ibid.*, p.26.

> itself round the world, and every articulation of its burnished body bears throughout remotest lands the stamp of the industrious and energetic hands of Middlesbrough'.[9]

In short, Middlesbrough had grown from comparative obscurity to a position of renown in the world iron trade within 30 years.

The growth and expansion of Middlesbrough was closely allied to the rise in fortunes of Henry Bolckow and John Vaughan who had operated a small but flourishing iron trade for some years before Vaughan's discovery of Cleveland ironstone in 1850. As Nicholson comments in his study of the 'creation' of Middlesbrough, 'the nature of their partnership had always been the stuff of industrial romance'.[10] Bolckow, a Prussian, came from an educated and mercantile background and provided capital for the firm. Vaughan, on the other hand, was a skilled ironworker who brought the practical expertise. They met while courting two sisters and lived next door to each other between 1841 and 1860 in Cleveland Street – just quarter of a mile away from their Vulcan Street Works. In Nicholson's words 'their partnership seemed to symbolize an ideal union of capital and labour' and one, moreover, which 'was not simply idealistic but highly profitable.'[11]

At the public opening of the Eston mines in 1851, John Vaughan commented that 'the discovery [of Cleveland ironstone] would place the iron manufactures of the district in a position to compete with those of any or all countries' and, he added, 'they would shortly be able to manufacture iron cheaper even than Birmingham itself'.[12] By 1856, Bolckow, Vaughan & Co. had erected six furnaces two miles from the Eston mines. They built on this foundation and by 1865 they were a limited liability company with capital funds of £2.5 million. Indeed, as Nicholson notes, 'by the mid-1860s, the two men had made immense fortunes for themselves

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[9] Sir H. G. Reid, *Middlesbrough and its Jubilee*, (1881) quoted in William Lillie, *The History of Middlesbrough*, (1968), p.96.

[10] Tony Nicholson, 'Jacky and the jubilee: Middlesbrough's creation myth', in A. J. Pollard, *Middlesbrough. Town and Community 1830-1950*, (1996), p.39.

[11] *Ibid.*

[12] Lillie, *Middlesbrough...A Century of Municipal, Social and Industrial Progress*, p.26.

and for the wider Middlesbrough community and were able to retire from the active management of their concerns'.[13] Vaughan died in 1868 and left the huge sum of almost £1 million to his son and heir, Thomas Vaughan.

The Thomas Vaughan & Co. Account

It was Thomas Vaughan who approached York City & County Bank in 1870 to take on the account of Thomas Vaughan & Co. In September 1870, the account was opened subject to an annual turnover by the firm of £750,000. An overdraft limit was set at £135,000 - £85,000 of which was to consist of approved bills, and the remainder, £50,000, was to be paid off within two years. The deeds of the South Bank Works were lodged with the bank as security for the account.

The Vaughan account was not the only investment York City made in the Middlesbrough iron industry during its immediate post-1870 years. As appendix 12.1 shows, after opening a branch at Middlesbrough in 1871, the bank started to supply funds to both the iron industry, and ancillary industries such as shipbuilding. By 1875, in addition to Thomas Vaughan & Co., York City was regularly lending to Erimus Iron Co., Britannia Iron Co. and the Lackenby Iron Works at Middlesbrough. And, in terms of shipbuilding, within just two years of establishing itself at Middlesbrough, the bank's management had lent £50,000 to the shipyard of Raylton Dixon & Co.[14]

In fact, the early phases of unprecedented growth which had seemed to typify the arrival of Middlesbrough, especially after the discovery of Cleveland ironstone in 1850, culminated in the 'riotous trade' of the early 1870s – 'a boom time when iron prices, company profits and population levels all rose to unprecedented heights; a rarefied and dizzy atmosphere which encouraged many of the more recent recruits to the iron-making capital of the world to view Middlesbrough's

[13] Nicholson 'Jacky and the jubilee', p.39.

[14] Due to the confines of space, York City & County Bank's entry into the world of shipbuilding finance cannot be discussed here, but it is instructive to note that Raylton Dixon was one of 31 firms producing approx two thirds of the total British output of British shipbuilding in 1870. By the 1880s and 1890s, the bank was heavily involved in the finance of Sir Raylton Dixon & Co, Palmers Shipbuilding Co., and Furniss, Withy & Co.

market dominance as natural and impregnable'.[15] Little wonder, then, that the Yorkshire banks gravitated north.

Like York City, Yorkshire Banking Co. opened a branch at Middlesbrough during the early 1870s. In 1872, it granted a loan specifically to 'institute the Bessemer process' and, even more directly, in 1879 its directors stated that:

> '...the prospects of Middlesbrough becoming the future seat of the Steel trade in the North Eastern District of England have induced the directors...experimentally to work the stone, and in furtherance of that object to put three out of six furnaces in blast'.[16]

During the first half of the 1870s, the Middlesbrough iron industry underwent a boom as table 10.2 shows:

Table 10.2 Output of Cleveland ironstone and the production of pig iron, 1870-1876[17]

Year	Total output of Cleveland ironstone (million tons)	Production of pig iron (million tons)
1870	4.07	1.70
1874	5.43	2.00
1876	6.57	2.08

It was against this backdrop, therefore, that York City entered Middlesbrough. The bank's most important customer, from the outset, was Thomas Vaughan. The fortunes of York City & County Bank during the 1870s were inextricably linked, therefore, with Middlesbrough's iron trade and in particular with Thomas Vaughan & Co.

[15] Nicholson 'Jacky and the jubilee', p.33.

[16] Annual Report, Yorkshire Banking Co. (1879) quoted in Crick and Wadsworth, *Hundred Years of Joint Stock Banking*, p.226.

[17] Lillie, *Middlesbrough...A Century of Municipal, Social and Industrial Progress*, p.27.

The first sign that things might be amiss with this account came early in 1873 when the company's limit was extended temporarily to £160,000. They were reminded that they were due to reduce their account by £10,000 in August, £10,000 in September, £10,000 in October, and £5,000 in January. On 28 July, the directors wrote to the company reminding them that they had to 'keep to their arrangement of £160,000', that morning's advances raising it to an unacceptable level of £171,000. In April 1874, the company was written to again to impress the importance of reducing their account back down to £135,000, the originally specified limit. Vaughan & Co. offered to reduce the account by £10,000 but stated that they were unable to decrease the excess until the following year. Upon realising the position of Vaughan, the board stated: 'as Mr Vaughan's advance of £50,000 for two years appears likely to continue for sometime, he is to be requested to carry out his undertaking to give a mortgage of the South Bank Works to the Bank's Trustees'.[18]

Despite Vaughan & Co's persistent overdraft, in 1874 the opening at Middlesbrough was deemed a success by the bank's management. In fact, business as a whole was booming so much so that new bank premises were purchased at York, a sure outward sign of growth and success - indeed, as the directors commented 'well adapted to the increasing prosperity'.[19] The opening of the bank's new head office, and the 'coming of age' generally of joint-stock banking in York, was greeted in celebratory terms by the *York Herald*:[20]

> '*The Additional Premises* – The spacious new and enlarged Bank offices in Parliament Street...will be opened to the public for business on Monday morning next. The present bank was erected in 1835. Since that date the population of the City of York has...very greatly increased, and the business of banking by joint-stock companies, which was then in its infancy, has succeeded beyond the most sanguine anticipations of their promoters. All the existing joint-stock banks in the City of York have been conspicuous instances of the success of this principle. It is not, therefore, a matter of surprise that the premises which were thought spacious enough

[18] 29 June 1874, Y9.

[19] AGM, *DMB* (Y9), 28 January 1875.

[20] *York Herald*, 23 December 1874

forty years ago, have long been too limited for the present requirements of the York City & County Banking Co. The directors therefore decided...considerably to enlarge their present premises...We congratulate the directors of the bank, and also the shareholders, on the completion of the work which constitutes a distinct gain to the City of York, and will, we have no doubt, prove as judicious an expenditure, having regard to the extent of the Company in 1874, as the former bank did to its business in 1835.'

At the following Annual General Meeting in January 1875, the directors reiterated the significance of the new premises at York, and emphasised that business, too, at the branches was most prosperous. 'The Directors have the pleasure to report' they announced, 'that the extended operations of the Bank have been entirely satisfactory in their result'.

Such was the expansion of business, it was decided that the capital of the firm ought, prudently, to be increased proportionately. 'In view of the continued increase in the business of the Bank' stated the directors, 'and the desirability of preserving a proper relation between its capital and the amount of such business...the time has arrived when the capital of the Bank should be increased'. They recommended this be effected through the creation of 1,500 new shares, similar to the existing ones, 1,000 of which were to be allotted to the present proprietors in the proportion of one new share to every five already held by them at the price of £50 per share - £25 of which was to be placed to the capital account and £25 to the reserve surplus fund. The remaining 500 shares were to be allotted by the directors 'in their discretion, at the market price of the day, but only to persons not at present shareholders in the Bank who, in the judgement of the Directors, would strengthen its influence and promote its interests'. The premiums on these shares were to be added to the reserve surplus fund which the directors strongly believed should be maintained at an amount equal to the paid-up capital of the bank.

It was also decided that the board of directors (which then comprised five members: James Meek, David Hill, John Francis Taylor, William Wilkinson Wilberforce and Edward Hotham Newton), ought also to be given the power to expand up to a maximum of seven members. This provision was taken advantage of in July 1875 when Ralph Creyke of Rawcliffe Hall near Goole was elected to the board, making a panel of six members.

In summing up the bank's fortunes over 1874, the directors concluded that 'the business of the Bank continues to increase in its different localities, and its position and resources were never so strong as they are at the present moment'.[21] By 1875, the celebratory mood had dissipated. At the Annual General Meeting held just one year later, the directors spoke of a 'general depression in trade', describing how 'the profits...have been affected by the low value of money'.[22] In fact the mid-1870s saw the buoyancy of the Victorian economy deflate as it faced the twin problems of competition from newly industrializing nations abroad, and the increasing recognition of domestic problems linked to urban poverty and class tension.[23] This was crystallised in sharply falling exports. Nowhere was the decline felt more acutely than in Middlesbrough where the iron trade began to lose ground to steel. The late 1870s in particular were critical years in Middlesbrough's history as steel was beginning to replace iron in the manufacturing of rails. The iron trade collapsed, with mills, forges and furnaces falling idle. What was worse, as Lillie points out, was 'the discovery that, because of its high phosphoric content, local ironstone was unsuitable for the manufacture of steel'.[24] Although the expansion of iron shipbuilding and the advance of foundry and engineering trades compensated in some measure, the iron trade, nonetheless, faced crisis. In fact, by 1880, the 'youngest child of England's enterprise' was said to have 'woke to find itself fifty years old and thoroughly depressed'.[25]

The depression, which was descending on iron producing centres as the manufacture of steel began to supplant its use, in turn affected the banks which found themselves embroiled in the decline and failure of numerous firms. Both York City & County Bank and Yorkshire Banking Co. found themselves inextricably bound up in the deep trough of economic and social depression which

[21] AGM, *DMB* (Y9), 28 January 1875.

[22] AGM, *DMB* (Y9), 20 January 1876.

[23] Nicholson 'Jacky and the jubilee', p.32.

[24] Lillie, *Middlesbrough...A Century of Municipal, Social and Industrial Progress*, p.27.

[25] Nicholson 'Jacky and the jubilee', p.32.

blighted the latter half of the 1870s in Middlesbrough. In particular, the failure of Thomas Vaughan & Co. affected both banks which had each accommodated this iron firm to a great extent. A sense of growing concern was expressed about the bank's increasingly heavy commitment to Vaughan by the directors of York City in 1875. As a safeguard, additional security was requested from the firm. A further £25,000 was advanced to Vaughan & Co. in May 1875 on the security of the Ground Hills Head Estate 'it being distinctly understood that all finance cheques cease and all accommodation bills be withdrawn for the future'.[26] £50,000 more was advanced in July on the security of mortgage of the Whessoe Iron Works and undertakings to execute second mortgages on other properties.

By August 1875, York City's management realised that its commitment to Vaughan & Co. was becoming too heavy for peace of mind. In view of the additional £30,000 the firm was now requesting, an agreement was reached with Yorkshire Banking Co. whereby combined advances would be made to the firm. The following agreement was exchanged between the two banks:[27]

[26] *DMB* (Y9), 10 May 1875.

[27] Agreement dated 27 August 1875, reported at York City board meeting, 30 August 1875, (Y9).

York, 27th August 1875

Re. Thomas Vaughan & Co.

The Yorkshire Banking Co. having yesterday agreed to advance to Vaughan & Co. £30,000, on certain further securities over Medomsley Colliery and Missouri Shares, if the York City & County Bank would join them in giving Vaughan & Co. further time, it is agreed between the two banks as under:

That neither Bank shall take any proceeding against Vaughan & Co. for the respective sums due to them yesterday or any part thereof without giving to the other bank two calendar months previous notice, nor proceed to sell or realize any of their respective securities other than as against other parties Bills of Exchange, without first giving such notice.

That beyond the said sum of £30,000 there shall not be any obligation (legal or moral) to advance any further sum, nor to come under any further obligation for Vaughan & Co. by either bank.

These terms are merely to bind the two banks to observe the same with a view to their respective benefit, and not to create any legal obligation by either bank to the other.

Mr North
Yorkshire Banking Co.

Any further requests for advances, therefore, were considered by the two banks jointly. In September 1875, Vaughan & Co. applied to York City for a further loan of £25-£30,000. The directors declined to entertain the proposal until they had spoken to Yorkshire Bank's management. It was decided, after a conference, that £75,000 be advanced by the two banks on the security of 'good names'. Those proposed were:

J. W. Pease	(£15,000)
B. Samuelson	(£15,000)
H. Bolckow	(£10,000)
J. Wilson	(£7,000)
W. R. Hopkins	(£7,000)
Lackenby Co.	(£7,000)
Swan, Coates & Co.	(£7,000)
J. Dodds	(£7,000)

At a second meeting of representatives of the two banks, the following memo was agreed:[28]

> The Yorkshire Banking Co. and the York City & County Banking Co. agree to advance a further sum to Thomas Vaughan & Co. provided the National Provincial Bank will join with them in such advance, in the proportion of one third to each bank, otherwise the proposal is positively declined.
>
> In case such advance is made, the form of guarantees to be identical, and to be settled by the solicitors of the different Banks, each Bank holding its own proportion of such guarantees.

The step was also taken of appointing an auditor for the banks. The auditor, Mr Blackburn, presented his report on Thomas Vaughan & Co. before the York City board in November 1875. As a result, the decision was made, along with Mr North of Yorkshire Banking Co., that Vaughan's South Bank Works should be transferred in trust to Yorkshire Bank to strengthen their title to the South Skelton Royalty in which both banks had an interest.

Another meeting took place between the two banks in December 1875 where it was reluctantly agreed that a further £25,000 would be loaned to the ailing company provided that 'measures be at once taken to forward the development of Limited Company'. The following letter was sent to Thomas Vaughan's solicitors

[28] *DMB* (Y9), 29 September 1875.

from the two Yorkshire banks expressing their disappointment at the way the account had been conducted, and the very real concerns they now felt about the liquidity of the firm:[29]

> Dear Sir
>
> Vaughan & Co.
>
> When the proposal was made that the Yorkshire Banking Co. and the York City & County Bank should each advance a further sum of £12,500 between that time and February next, they were induced to assent, in expectation, that no further advances by them, would after that time be necessary.
>
> From what has since transpired, and from the fact that a considerably larger sum than was expected has been required this month, the Banks are apprehensive that, when February arrives, it will be found that the Works cannot be carried on without more money they therefore think it right this early to intimate through you to Messrs. Vaughan & Co. and also to the Guarantors the positive determination they have both come to not to make any further advance after February next be the consequences what they may.
>
> This decision is final and in communicating to you we were instructed to request that you would urge on Messrs. Vaughan & Co. and also on the guarantors, the opinion of both banks that steps should be immediately taken to dispose of the works and business, whilst going, to a limited liability company seeing that, if they cannot be carried on after February the loss to Mr Vaughan and to the unsecured creditors will be so serious, whilst, if sold as going concerns, the price would be ample to pay all, and leave a handsome surplus for Mr Vaughan.
>
> In acknowledging this letter to each Bank we shall feel obliged by your saying what steps you have taken in consequence of it, that we may report to our Directors.
>
> J. W. Gatecliffe
> For Yorkshire Banking Co.
>
> William Wilberforce Morrell
> York City & County Banking Co.

[29] *DMB* (Y9), 30 December 1875.

Vaughan's solicitor wrote in reply:[30]

> I am very much surprised to be informed that more money is likely to be required. I had confidently anticipated that the proposed advance would be sufficient.
>
> With regard to the formation of a limited liability company, I have already expressed my views fully personally and otherwise and I am confirmed in the impression I have all along entertained that this matter ought not to be prematurely forced upon Mr Vaughan but that it should be carefully considered and entered upon at the proper time and under proper circumstances. If, however, you have friends who will be prepared to take up the concern, paying everyone and leaving as you say, a handsome surplus, this well receive immediate and favourable consideration.

No mention was made of the Vaughan affair at York City's following Annual General Meeting, only a comment about the depressed state of trade being felt generally. However, 'in consequence of the wholly exceptional nature of the Middlesbrough business of the past year', special donations were forwarded to William Morrell, the general manager (£100), Edward Kirby, the branch agent (£50), and the two Middlesbrough clerks, Mr Last and Mr Lyth (£50 each).[31]

The year 1876 commenced in a depressed state and the matter of Vaughan & Co. and, more generally, the crisis in the iron trade, continued to monopolise the directors' attention. In June 1876, James Meek, chairman of York City & County, met with the directors of Yorkshire Bank regarding the Vaughan business. It was jointly proposed that, in order to protect the security of Wharton's lease, in which both banks had an interest, the mortgage on the Clay Lane and South Bank Works should be assigned to the chairmen of both boards as trustees for the joint and

[30] *DMB* (Y9), 6 January 1876.

[31] *DMB* (Y9), 10 January 1876.

equal benefit of both banks. The proceeds were to be divided equally between the banks.

A month later, the bank's solicitors were called to the board respecting the state of Thomas Vaughan & Co's business. After discussions, they were unanimous in the opinion that 'no further advance should be made except on security and except to protect the Bolckow, Vaughan contract' and, moreover, that 'the proposal to put £100,000 [the sum owed by Vaughan & Co.] before the bank's security was wholly inadmissible'.[32] It was further decided that the works would be carried on under a Deed of Trust for the benefit of the creditors.

Owing to the depression of the iron trade generally at Middlesbrough and the unavoidable effect this had on the bank, in December 1876, £20,000 was transferred from the bad debt account to the Middlesbrough branch to cover losses incurred there. Included in the bad debts were iron firms: Swan, Coates & Co., Lackenby Iron Works and Thomas Vaughan, which had all reportedly failed in September 1876. The sum of £96,092 (£50,000 loan account and £46,092, part of the returned bill account) – Thomas Vaughan & Co's liability to the bank – was transferred from the Middlesbrough branch to York. Indeed, it was commented by Kirby, the Middlesbrough branch agent, in 1877 that 'never before have disasters and failures in this district been so rife', adding later that 'this past year is the worst the iron trade has experienced'. In fact, quite incredibly, by January 1877, the branch had accumulated bad debts amounting to £302,525 – a sum twice the value of the bank's paid-up capital. As Collins notes in his brief review of the Vaughan affair, 'for this bank, experience with industrial loans was chastising indeed'.[33]

The failure of Thomas Vaughan was almost unthinkable for the town of Middlesbrough and, as Nicholson points out, while he was not alone in succumbing to the trade depression, 'the psychological blow which Vaughan's particular fall dealt to the Middlesbrough community was incalculable'.[34]

[32] *DMB* (Y9), 24 July 1876.

[33] Michael Collins, 'English bank lending and the financial crisis of the 1870s', *Business History*, Vol.32, No.2, (1990), p.213.

[34] Nicholson 'Jacky and the jubilee', p.39.

Although his bankruptcy affected the town significantly in terms of both his creditors, and the numbers of people made unemployed as a result, it was the sullying of the Vaughan tradition that shook the foundation of the town. 'The Vaughan name stood at the heart of a creation myth which had become central to Middlesbrough's sense of confidence and identity'[35] and Vaughan's failure, therefore, was quite unspeakable.

Thomas Vaughan's bad debts at York City & County Bank were reported to amount to £92,636.[36] In the event, both York City and Yorkshire Banking Co. were forced to foreclose on the iron company's property and take ownership of the ironworks. As early February 1877, Thomas Vaughan's estates were offered for sale by the bank to Bolckow, Vaughan & Co. Ltd. with a view to them taking over the running of the various plants. After two years of discussion, an agreement was reached and the South Bank Works were offered to Bolckow, Vaughan for £125,000 which they accepted. The purchase price was debited from Bolckow, Vaughan's new account, and applied to the credit of Thomas Vaughan & Co's account. The proceeds, therefore, proved adequate in cancelling the debt, meaning that, as with the majority of deposit banks, 'the main problem was not one of ultimate solvency but rather one of liquidity'.[37]

What is interesting is that at no point did the directors make clear the state of affairs to its shareholders. Although general references were made to the depression in trade being felt nationally as well as locally, the extent of Vaughan & Co's problems was not made explicit. For example, in 1877, the directors stated: 'the hopes expressed in the last report of an early revival of trade have not, as yet, been realised, and the past year has, therefore, not been so favourable a one as usual for banking profits'.[38]

In terms of a revival of trade at Middlesbrough, the town's ironmasters realised that, owing to the competition now facing them from the relatively cheap manufacture of steel, the town would have to become a steel producing centre if it

[35] *Ibid.*

[36] *DMB* (Y9), 23 December 1878.

[37] Collins, 'English bank lending and the financial crisis of the 1870s', p.213.

[38] AGM, *DMB* (Y9), 18 January 1877.

was to survive. Employing the Bessemer process, Bolckow, Vaughan started to produce steel when they opened the Eston Works in 1874. By means of imported ores, they produced, by March 1878, 1,000 tons of steel weekly. The problem was, however, as already discussed that local ironstone was unsuitable for the manufacture of steel owing to its high phosphoric content. It was of great importance for Middlesbrough, therefore, when Thomas and Gilchrist made their discovery of 1879 which allowed phosphoric ores to be used in the manufacture of steel. On the invitation of E. Windsor Richards, Bolckow, Vaughan's manager, Thomas and Gilchrist visited Middlesbrough where a number of experimental converters were built. As Lillie comments, 'the success of the Thomas Gilchrist process was demonstrated and Teesside made a very successful entry into the steel trade'.[39] By 1900, Teesside produced 1,333,000 tons of steel – the equivalent of 27 per cent of the nation's total output – and the district ranked fifth in the steel-producing areas of the world. It also ranked third in the world's pig iron producing areas, with 3,110,000 tons, or seven per cent, of the world's total output.[40] The Bolckow, Vaughan account remained an important asset at York City, therefore. The sympathetic handling of Thomas Vaughan's failure ensured the bank safeguarded its interests with the steel firm, and the account was continued thereafter on favourable terms.

For the York Bank, therefore, entry into the world of industrial finance was something of a salutary lesson for its management. As Crick and Wadsworth note of the depression which descended on the iron producing centre as the use of steel became more general, 'the banks which had moved so closely in support of expansion in trade, were also involved in the decline'.[41] In particular, York City's funds had been over-committed to just one firm, and, despite having adequate security to cover the losses when the firm failed, their slow realisation created liquidity problems for the bank.

Financial Crisis, 1878

Pressure on the bank was compounded in 1878 with the onset of crisis across the banking system brought about by the failure of the City of Glasgow Bank. At the

[39] Lillie, *Middlesbrough...A Century of Municipal, Social and Industrial Progress*, p.28.

[40] *Ibid.*

[41] Crick and Wadsworth, *Hundred Years of Joint Stock Banking*, pp.227.

time, it was one of Scotland's leading banks with liabilities totalling £12.4 million and a branch network of 133 offices. The impact of the failure in Scotland, therefore, was 'traumatic'.[42] In fact, evidence uncovered by Collins highlights 'from the internal records of both the deposit banks and the Bank of England...the perilous state of banking in the north of England and the midlands during the critical months of the last quarter of 1878...and it was clear that a general panic was but a hair's breadth away'.[43] York City was not alone, therefore, in weathering a period of prolonged depression in the industrial sector. Quite widely, the slump in the iron and coal trades weakened the resources of a number of banks, which had to support ailing industrial customers, and this 'created the general condition in which confidence could be seriously undermined'.[44]

The City of Glasgow Bank failed in October 1878, followed shortly after by the collapse of West of England & South Wales District Bank. In both instances, the banks had become too over-committed to a small number of firms making their assets unrealisable in the short-run. As the *Bankers' Magazine* commented on the City of Glasgow Bank:

> 'The causes which have led to the downfall of this once flourishing concern appear...to have been...the trusting of enormous sums to a few borrowers. This even when the firms concerned are of first-rate standing, is a very dangerous course for any bank to take...'[45]

And similarly, on the West of England collapse:

> 'There had been ever since the Fothergill (Ironworks) failures in 1875, a considerable lock-up of resources, and it was rumoured that advances had

[42] Michael Collins, 'The banking crisis of 1878', *Economic History Review*, Vol.XLII, No.4, (1989), p.504.

[43] *Ibid.*, p.507.

[44] *Ibid.*

[45] *Bankers' Magazine*, November 1878 quoted in Collins, 'English bank lending and the financial crisis of the 1870s', p.204.

been made to other South Wales firms and companies which could not be readily realised'.[46]

A severe liquidity crisis rippled across the country and banks sought to quickly unlock their liquid funds. A number ceased payment and failed as a result including: Willis, Percival & Co. (London); Middleton, Craddock & Co. (Loughborough); J. J. Fenton & Sons (Rochdale); Chesterfield & North Derbyshire Banking Co.; and Caledonian Banking Co. Although the joint-stock banks, by and large, were able to weather the storm by drawing on cash reserves in London, the crisis highlighted the serious problems institutions were facing with regard to industrial lending – in particular, the locking up of large amounts in small numbers of concerns – and the need, therefore, for some form of limited liability to be adopted to prevent the scale of losses felt by City of Glasgow and West of England shareholders being repeated in the event of any future banking crisis. In this way, York City's experience of the 1878 crisis was typical of a good many other banks across the country.

The financial panic brought about by the City of Glasgow failure was brought up most urgently by York City's directors at the board meeting held on 21 October 1878. It was reported, in response to the news, that cash on hand at York and the branches had been increased by £25,000. In order to free up more funds, a number of loans on railway stock (amounting to £17,000) were called in, and funds at Newburn & Barker's disposal, loaned to: T. Pickels (£800) and W. Newburn (£40,200) due for renewal, were only permitted to be renewed from stock exchange account to account. Furthermore, the directors wrote to neighbouring institutions, York Union Bank and Yorkshire Banking Co. calling their attention to 'the advisability of adding a clause to Deposit Receipts reserving a short notice, if necessary' and offering to cooperate with them in doing so.[47] Afraid of making changes amid the crisis and panicking customers further, York Union's management replied that they 'thought the present time inappropriate for any

[46] *Bankers' Magazine*, January 1879 quoted in Collins, 'English bank lending and the financial crisis of the 1870s', p.204.
[47] *DMB* (Y9), 21 October 1878.

change' while Yorkshire Bank promised to consider the matter 'at an early opportunity'.[48]

In November, further efforts were made to reduce some of the York Bank's overdrawn accounts. In particular, the following loans were called in:

Robert Varvill	£ 4,000
Mr Walker (Goole)	£10,000
Anderson's Executors	£ 7,500

And the following overdrawn reductions were called for:

Goole Tillage Co.		Account to be reduced by £10,000
Chemical Co.	(Middlesbrough)	£ 5,000 to £2,500
W. Petchell	(Middlesbrough)	£ 7,500 to £5,000
Aquarium Co.	(Scarborough)	£15,000 to £7,500
Sarony & Co.	(Scarborough)	£ 5,000 mortgage
James Beachall	(Goole)	Account to be reduced

The calling in of such loans was part of the managing directors' wider strategy to raise £100,000 over the following six months.[49]

The stoppage of West of England Bank, and, closer to home, Messrs. Fenton of Rochdale, merely compounded the crisis as York City's directors confirmed at a meeting held on 9 December 1878: '[these bank failures] having created much distrust, and...occurring at a time when, from payments arising through purchases of estates and other investments' they stated, 'the cash reserves of this Bank are unusually low'. It was pointed out, therefore, that the reduction of overdrawn accounts would have to amount to more than the previously estimated sum of £180-200,000. This, recognised the directors, would only be realizable over an extended period. In order to create a safety net to safeguard the bank's interests, a temporary fund of £100,000 would have to be set up in order to supply, if

[48] *DMB* (Y9), 28 October 1878.

[49] *DMB* (Y9), 25 November 1878.

necessary, the cash requirements of the bank without having to resort to selling Consols or borrowing money from elsewhere. The fund was created using the directors' personal funds; towards this amount the following sums were subscribed:

Sir James Meek	£6,000	in January
E. H. Newton	£7,500	this year
E. H. Newton	£20,000	more to follow
W. W. Wilberforce	£3-4,000	in January
Ralph Creyke	£4,000	this week
Ralph Creyke	£11,000	more to follow
Mr Gutch (solicitor)	£15-17,000	more to follow if necessary

This unprecedented step highlighted what J. W. Gilbart had advised so many years before, namely 'a bank director should be in good pecuniary circumstances'. Furthermore, given the precarious basis on which the bank temporarily found itself in 1878, 'a man of influence and respectability…[whose] standing in society gives the public confidence in the establishment with which he is connected'[50] because at no time after 1825, more than in the wake of the City of Glasgow failure, was the confidence in the banking system as a whole shaken to such an extent. Such was the importance of maintaining the confidence of its public that, at the following Annual General Meeting, York City's directors made no mention of the troubles that had shaken the bank during the latter half of the year, or the contingency fund set up, awarding instead a generous dividend of 20 per cent to its shareholders.[51]

York City's London agents, Barnett & Hoares, on the other hand, were only too aware of the predicament in which the bank found itself. Owing to the adverse effects the prolonged depression had had on profits, the bank not only drew on Barnett & Hoares for reserves when liquidity was tight, but tried, also, to reduce the amount of commission they paid to their agents. In April 1879, William Morrell wrote to Barnett & Hoares to point out that the bank's turnover had shown a continuous diminution since their last correspondence, and on that basis he thought it not unreasonable to return to a lower rate of commission 'until more

[50] J. W. Gilbart, *A Practical Treatise on Banking, Vol.I*, (1865), p.158.

[51] *Annual Report* (Y46), 1878.

prosperous times come back again'.[52] Barnett & Hoares were in no mood for bargaining, however, pointing out that, despite the decrease in York City's turnover, this did not represent a corresponding decrease in the amount of work carried out at their London office. In particular, they drew Morrell's attention to the fact that although York City's turnover in 1875 was £10,121,325 representing 837 folios, the decrease in turnover to £6,869,555 in 1878 still employed 813 folios. Moreover, the agents pointed out the increased number of York City branches gave their correspondence department an increased amount of work which more than warranted the rate of commission currently in place. 'We may perhaps also remind you' they added, 'that in very difficult times last autumn [1878], when money was hardly obtainable in London on any terms we were ready to give you every support in our power and did, in fact, place a considerable sum at your disposal'.[53] Barnett & Hoares' position, therefore, was made very clear and, despite Morrell's protestations that the competition of new banks compelled them to ask for a lower rate of commission, he had, ultimately, to be satisfied with just one month's reduction in commission and to return to the agreed rate thereafter.[54]

As Collins notes, 'as in previous crises the viability of the banking sector as a whole was maintained'.[55] Nevertheless, the City of Glasgow crash highlighted the instability that was still inherent in the system and the way that the banking structure by the late 1870s, coupled with prolonged economic depression, was still susceptible to liquidity difficulties. In particular, the rash of bank failures that followed the City of Glasgow highlighted the need for some sort of protection for shareholders who bore the brunt of the firm's liabilities. In short, 'the outcome of the disaster revealed as never before the grave dangers of unlimited liability'.[56] The only way of restoring the confidence of investors was to protect them with limited liability. The issue was tackled in 1879 by an Act passed to establish the principle of 'reserved liability'. What this meant was that bank shares were divided into two parts, one being callable at the discretion of the directors, and the other only in the event of the winding-up of the company. The introduction of the

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[52] *DMB* (Y9), 8 April 1879.

[53] *DMB* (Y9), 9 April 1879.

[54] *DMB* (Y9), 27 November 1879.

[55] Collins, 'The banking crisis of 1878', p.506.

[56] Crick and Wadsworth, *Hundred Years of Joint Stock Banking*, p.33.

practice also brought about the general custom of publishing bank balance sheets each year, which gave a better indication of the financial position of provincial banking companies. It is no surprise to find, therefore, that the subject of limited liability and bank audits became the new keenly debated topic of conversation amongst York City's directors after 1878.

Finally, returning to a point made earlier about the supposed failure of British banks to invest long-term in domestic industry, especially in relation to newly industrialising nations such as Germany and the USA, it is perhaps instructive to note that one of the things to be learned from the 1878 crisis was that banks holding a large proportion of their assets in the form of illiquid industrial loans was both destabilising and unsafe. As Cottrell notes, 'long-term industrial lending did lead to bank failures in Germany, especially where the institutions had become heavily committed to only one particular company' and 'although the German credit banks gave far more substantial support to domestic industry than their English counterparts, their role and function in this area was a matter of dispute in Germany, particularly after the crisis of 1901'.[57] In this way, it might be argued that while the German banks successfully facilitated industrial finance, English banks on the other hand were alerted to the dangers of such behaviour earlier on, learning instead to build a banking system which, until 1914, exhibited the more important attributes of stability and strength.

[57] Cottrell, *Industrial Finance 1830-1914,* p.239.

CHAPTER 11

YORK CITY & COUNTY BANKING CO. LTD.
THE MIDDLESBROUGH EXPERIMENT – TEN YEARS ON

'The Directors…beg to congratulate [the shareholders] on the successful results attending the operations of the Bank during this long period, and which they submit is an *incontestable proof of the soundness of the principles on which joint stock banks were established*'.[1] The position of York City & County Bank by 1880 was very different to that of 1830, or indeed 1870 just ten years earlier, when it was still, essentially, an agricultural bank, with limited potential for both expansion and investment. The 1870s were a period of transition and dramatic change as the bank's management adapted the bank to the changing environment by pushing forward with an aggressive branching policy and entering, for the first time, an investing rather than saving area. The results were quite substantial and the bank transformed beyond recognition.

What follows is a look at York City in the aftermath of 1878, and the way that management reconfigured it in order to take its place amongst the biggest and most successful provincial banks of the late nineteenth century. The 1878 crisis left the banking system bruised and bloodied, yet surprisingly intact. The implications for banks individually, however, were far-reaching. Two key points were highlighted by the collapse of both the City of Glasgow and West of England banks. The first was that locking up assets in illiquid industrial loans for prolonged periods was both dangerous and destabilising, reminding bankers of the need to remain liquidity-conscious. Secondly, the onus of the failed banks fell on the shareholders who individually were held liable for all the debts of their respective banking companies.

Limited Liability

The extent to which the City of Glasgow's shareholders were called upon is made painfully clear by figures provided by Collins: 'calls totalling £2,759 per £100 share were made; only 254 of the 1,819 shareholders remained solvent when the affairs of the Bank were finally wound up, though the depositors were paid in full'.

[1] *DMB* (Y10), 15 January 1880.

In all, the experience was disastrous for Glaswegians: 'nearly 2,000 families suffered severe loss and many were ruined'.[2] The need for some sort of limited liability for proprietors was made glaringly obvious and bank managements were forced, as a result, to seek ways by which to protect their shareholders.

At York City, its management's long running 'wait and see' approach to limited liability was pushed to the fore. Since the changes in company law between 1858 and 1862 which permitted banking companies to extend limited liability to their shareholders, York City's management had peeped only tentatively into the changing realm of bank constitution. At the time, little more than an acknowledgement was made of the new legislation and the issue did not re-emerge until 1875 when the bank was registered under The Companies' Act (1862) as an unlimited company. Although this did not affect the unlimited liability of shareholders, it did restrict the duration of liability of executors of deceased partners and other retiring shareholders to one instead of three years, and the property belonging to the bank was now held in a corporate capacity. In fact, the need for limited liability only became an issue for the bank during the 1870s with respect to Thomas Vaughan & Co. – its principal Middlesbrough account.

As discussed in chapter 10, the failure of Thomas Vaughan presented the bank with substantial bad debts. It was impressed on Vaughan's solicitor in 1875, by both York City and Yorkshire Bank, that the firm ought urgently to consider adopting the principle of limited liability. 'We would request that you urge on Messrs. Vaughan & Co.' wrote the banks, 'that the opinion of both banks [is] that steps should be taken immediately [in] going to a limited liability company, seeing that...the loss to Mr Vaughan and to the unsecured creditors will be so serious...'[3] The matter was disputed by both Vaughan and his solicitor. The latter wrote back to York City adamant that 'this matter ought not to be prematurely forced upon Mr Vaughan'. By February 1876, the bank's management was exasperated by Vaughan's attitude, stating curtly 'no progress has been made in the business of

[2] Michael Collins, 'The banking crisis of 1878', *Economic History Review*, Vol.XLII, No.4, (1989), p.504.

[3] *DMB* (Y9), 30 December 1875.

Vaughan & Co. who still throw difficulties in the formation of a [limited liability] company'.[4]

The adoption of limited liability status was equally slow on the part of the banks. It was not until after the shock of the collapse of the City of Glasgow Bank that York City's management and others seriously considered the need for such protection for their proprietors. In 1879, the matter was brought up by the chairman, James Meek, who had attended a meeting of the Country Bankers Association in London in March on the subject of limited liability and bank audits. He reported the proceedings back to the board. It had been decided at the meeting of Country Bankers 'by a small majority, many members remaining neutral', that the principle be recommended for general adoption. Undecided on the outcome, York City's directors were 'unanimously of the opinion that, at all events, the time had not yet arrived for acting on his recommendation'.[5] Despite their initial hesitation, the situation was monitored generally, the board reporting at the end of 1879 that London & Westminster Bank and Yorkshire Banking Co. had both announced their intention to become limited banks. At the following Annual General Meeting, the directors addressed the shareholders on the matter, stating:

> 'the recent legislation intended to facilitate the limitation of the liability of shareholders in joint stock banks has had the careful attention of the Directors, who will continue to watch with interest how far such a step meets with the approval of the public, but they consider that there is not, as yet, sufficient evidence to determine upon the advisability of making so important a change in the constitution of this bank'.[6]

The problem was that some sort of compromise was needed since the full implications of limited liability had yet to be realised. On the one hand, it was argued that full limited liability would act as a deterrent to the public placing deposits with a bank since shareholders would only be liable to pay the 'book value' of their shares. On the other hand, it was stressed quite importantly – particularly after the failure of the 'unlimited' Glasgow bank – that the unlimited

[4] *DMB* (Y9), 28 February 1876.

[5] *DMB* (Y10), 27 October 1879.

[6] 50th Annual General Meeting, *DMB* (Y10), 15 January 1880.

nature of a proprietor's liability would restrict investment since banks would be afraid to lock up too much capital in fear of another liquidity crisis like that of 1878. The introduction of 'reserved liability' in 1879 was something of a compromise therefore, and the principle gathered momentum amongst bankers thereafter.

By 1883, York City's management felt the time was right to convert to limited liability. They wrote to their neighbour, York Union Bank, informing them of their intentions, and received letters from both Barnett & Co. (London agents) and Price & Pott (stockbrokers) 'strongly approving of the scheme of proposed reconstruction under limited liability'.[7] This decision was communicated to shareholders at the bank's 53rd Annual General Meeting in January 1883:

> 'The Directors have on former occasions expressed their views on the subject of limiting the liability of shareholders, and have intimated that they would watch with interest how far such a step met with the approval of the public in the case of other Banks. They are now of the opinion that the principle of limited liability has been so generally adopted that it will be prudent to follow the same course, and the Directors therefore have decided to recommend the registration of the Bank as a limited company under the Companies Acts 1862 and 1880'.[8]

Upon taking the momentous step, it was decided, too, that the change ought to be accompanied by a substantial increase in the capital account, and also the annual publishing of a balance sheet. 'It has long been the established custom of this bank since its foundation' stated the directors, 'not to publish annual accounts, but [we] have thought it desirable on the occasion of the proposed considerable increase of capital, to give full information to the shareholders and the public'.[9] Appended to the distributed report was the bank's first balance sheet, certified by R. Mackay & Co., chartered accountants of London. On 2 July 1883, the following historic minute was recorded:

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[7] *DMB* (Y11), 15 January 1883.

[8] AGM, *DMB* (Y11), 18 January 1883.

[9] *Ibid.*

'A telegram was received from the London Agents of the Bank's Solicitors, announcing that the Resolutions as to Limited Liability had been filed at the Companies Office, this was, therefore, the first meeting of the Directors of the York City & County Banking Co. Ltd.'[10]

The crisis of 1878, therefore, brought the issue of safe banking practice immediately and abruptly into focus. At a national level, the results of unlimited liability were there to be seen, and this led bank managements to act in order to quell the anxiety spreading amongst depositors and shareholders alike. In fact, the experience of York City in terms of limited liability and the wider issue of safety mirrored the national picture, as Collins confirms:

'The crisis widened the debate about the adequacy of bank capital and cash reserves, the safety of small local banks, the effectiveness of accounting controls and the need for greater publicity of accounts'.[11]

To this end, the best-known legislative outcome was the Companies Act of 1879 which introduced a special form of limited liability for bank equity.

Industrial Finance

In addition to the constitutional changes brought about by the City of Glasgow failure, the crisis had longer-term implications for the banking system in terms of asset distribution. In particular, it is argued that 'after the fright of 1878, British banks in general became more cautious in making loans and, from then on, placed greater weight on asset liquidity', meaning 'they were less concerned with the provision of domestic industrial funds and leaned more towards the financing of international trade and government borrowing'.[12]

During the 1878 crisis, the main concern for York City's management was the adequacy of the cash reserve. Indeed, Morrell's first task as general manager in 1873 had been to 'strengthen the depleted cash reserve' (see chapter 8). York

[10] *DMB* (Y11), 2 July 1883.

[11] Michael Collins, 'English bank lending and the financial crisis of the 1870s', *Business History*, Vol.32, No.2, (1990), p.222.

[12] *Ibid.*, p.201.

City's management was not reckless when it came to matters of liquidity, striking, for the most part, a prudent balance between liquidity and profitability (see chapter 6). However, during the late 1870s the banking system as a whole was faced with perhaps the most pervasive liquidity shortage of the nineteenth century and York City's management found, to its alarm, that the funds at call were insufficient to meet customer demand – especially in the event of a 'run'. As already discussed, the bank's directors reacted swiftly by withdrawing short-term loans from the money market. To supplement these, they also leaned heavily for credit on their London agents, Barnett & Hoares, who supplied substantial sums in the event of capital lock-up. And, most unusually, the directors set up a contingency fund of £100,000 using their own money, to avoid selling the bank's holdings of Consols at a loss. The main source of York City's rigid asset structure was the heavy commitment the bank had with the iron firm Vaughan & Co. Although the proceeds of the company's securities proved more than adequate in cancelling the debt, the funds took time to release, showing that the bank was not fundamentally unstable – just temporarily illiquid.

Table 11.1 shows the proportion York City's cash reserves in relation to its liability to the public during the period:

Table 11.1 Reserves as a percentage of public liabilities, York City & County Bank, 1872-1883

Year	Public liabilities (notes and deposits)	Reserves (cash and investments)	Reserves as a percentage of public liabilities (%)
1872	1,622,720	123,000	7.6
1873	1,620,915	353,000	21.8
1874	1,774,281	343,000	19.3
1875	1,993,446	469,000	23.5
1876	2,006,743	431,000	21.5
1877	1,885,419	267,000	14.2
1878	1,916,308	180,000	9.4
1879	1,895,472	333,000	17.6
1880	2,039,675	330,000	16.2
1881	2,192,773	500,000	22.8
1882	2,220,482	416,000	18.7
1883	2,587,007	789,000	30.4

Two things are immediately evident. The first is just how small the ratio of reserves to public liabilities had been when William Morrell took over York City's management in 1873. If called upon, only 7.6 per cent of the public's funds were immediately available – a dangerous precedent had not Morrell made it his business straight away to reinforce them. The second aspect, unsurprisingly, is the dangerously low level to which the reserve fell in 1878. At just under ten per cent of its liability to the public, it is little wonder that the directors took drastic steps to shore up the relatively paltry £180,000 on hand. What table 11.1 also shows is that, by the early 1880s, the bank's management had turned the situation round and, by 1883, York City's cash reserve sat comfortably at almost one third of public liabilities. Indeed, this was a trend that continued during the 1880s and 1890s.

Table 11.2 displays the ratio of reserves to public liabilities at York City as decadal averages between 1870 and 1900:

Table 11.2 Reserves (cash and investments) as a percentage of public liabilities, York City & County Bank, 1870-1990

Period	Average reserve (cash and investments)	Average public liabilities	Reserves as a % of public liabilities
1870-1879	289,600	1,629,665	17.8
1880-1889	844,304	2,689,478	31.4
1890-1899	1,929,267	6,002,880	32.1

Although this omits outstanding years, the trend is evident. From the late 1870s, the bank's management sought to maintain a safer, and more liquid cash reserve which consistently stood at just under one third of public liabilities thereafter. This on its own does not prove that York City's management actively moved away from large illiquid investments, but the data certainly suggest a shift towards an increasingly liquid portfolio of assets. Indeed, at a national level, although the banking system became more secure and the frequency of banking panics decreased, the average amount of cash kept on hand actually rose. Thus York City's liquidity ratio after 1878, by and large, reflected the trend within the banking sector as a whole.

On the basis of this evidence, it has been argued that this reflected 'the growing conservatism of British banks and of the increasing emphasis they placed on liquidity'.[13] The argument thus follows, therefore, that liquidity concerns led bank managements to seek 'safe' forms of business, while ignoring the demands for large-scale, long-term finance from domestic industry. Again, this raises the vexed question of whether British banks failed to 'lend-long'. Although beyond the scope of this study, it is fair to say that, although York City's liquidity ratio was reasonably high – some might say unnecessarily cautious – particularly when compared to the national average, it is instructive to note that the scale of the bank's operations post-1880 magnified significantly. Instead of abandoning industrial finance as a failed experiment, its management entered wholesale into the lending of funds to important industrial concerns. By the 1890s, the bank's

[13] Michael Collins, *Money and Banking in the UK: A History*, (1988), p.104.

commitment to shipbuilding finance in the north east – especially at Newcastle, Sunderland and West Hartlepool – and, to a lesser extent, the steam fishing industry at Grimsby, was second to none as its balance sheet testifies.

Growth and Expansion

The figures in table 11.3 give an outline of the position of York City in relation to the other Yorkshire banks by the end of the 1870s:

Table 11.3 Liabilities and assets, Yorkshire banking companies, 1879 (£000)[14]

	Capital paid up	Reserve fund	Deposits	Notes in circulation	Advances and bills	Branches
Barnsley Banking Co.	47	45	-	7	-	1
Bradford Banking Co.	408	232	2,286	44	3,015*	none
Exchange & District Bank	100	53	168	none	310*	2
Huddersfield Banking Co.	415	194	1,961	33	2,121	4
Hull Banking Co.	121	133	757	29	935*	3
Leeds & County Bank	230	17	853	none	1,081*	5
Sheffield & Hallamshire Bank	210	86	654	21	971*	none
Sheffield Union Bank	180	69	428	none	661	6
Yorkshire Banking Co.	250	35	1,819	102	2,168*	24
York City & County Bank	175	151	1,809	87	1,718**	23

- No balance sheet data available

* Includes cash

** Advances only

What is interesting is the headway York City had made compared to other Yorkshire banks by 1879. In terms of number of branches, it was second only to

[14] W. F. Crick and J. E. Wadsworth, *A Hundred Years of Joint Stock Banking*, (1936), p.228.

Yorkshire Banking Co. which had a similarly sized network of over 20 branches. The extent of their respective geographical expansion was reflected in their balance sheet totals. By 1879, both banks had each accumulated deposits in excess of £1.8 million, gathered, without doubt, through their vigorous branching strategies. By the same token, Bradford Banking Co. and Huddersfield Banking Co. showed equally positive results in terms of both deposits collected, and funds advanced, yet neither was a branch banker. This is a classic example of where banks based in manufacturing districts found deposit accumulation easy, given the density of population in and around the respective towns. As Crick and Wadsworth confirm, Bradford Banking Co. and Huddersfield Banking Co. were 'pioneer institutions' and despite being 'narrowly confined to their districts, they remained largest amongst the banks [listed]...a tribute to the active trade of their towns of origin...'[15]

For Yorkshire Banking Co. (which also had an interest in the West Riding wool trade) and particularly York City which, until 1870, was confined almost exclusively to agricultural areas, the move into industrial Middlesbrough transformed their fortunes as table 11.3 shows. For York City, the opening of its Middlesbrough branch set something of a precedent. During the following decade, the number of branches and sub-branches doubled. By 1880, the bank could count amongst its number seventeen branches and eleven sub-branches. Chart 11.1 gives an idea of their relative importance during the 1870s:

[15] Crick and Wadsworth, *Hundred Years of Joint Stock Banking,* p.229.

Chart 11.1 Proportion of total advances granted by each branch, York City & County Bank, 1870-1880[16]

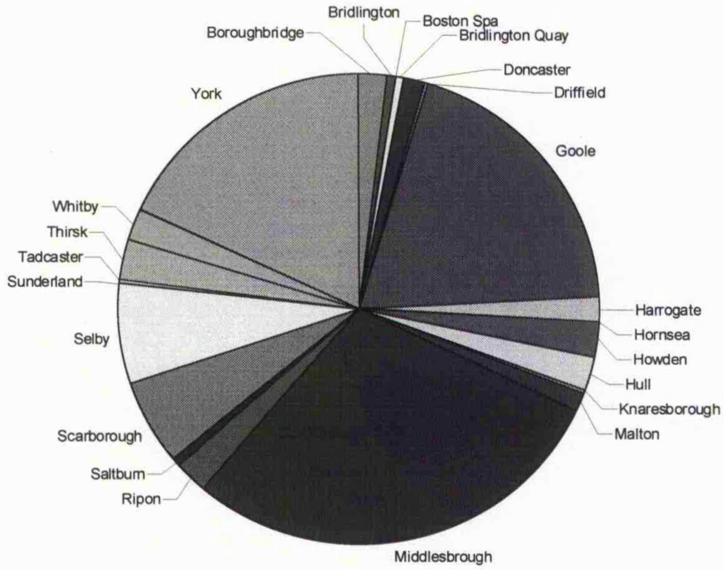

Chart 11.1 shows the breakdown of advances between 1870 and 1880 at York City's individual branches. Clearly, a significant proportion of the bank's loanable funds were invested during the period via the Middlesbrough branch. Indeed, as appendix 10.1 (see chapter 10) shows, the bank's management began to take on some important industrial accounts during the 1870s centred, particularly, in the iron and steel trade and the shipbuilding industry.

Despite the enthusiasm of York City's management for industrial finance during the 1870s (and increasingly so later despite the calamitous effects of 1878), what chart 11.1 also shows is that not all of the market town branches opened during the first phase of York City's development had necessarily declined in importance. Of course, business at some remained negligible. Indeed, of the Ripon branch for example, it was commented by the managing directors as early as 1851 that '[we] beg to recommend to the serious attention of the directors from the small amount of business ever likely to arise at Ripon whether it would not be desirable at an

[16] Loan data extracted from board minute books (Y1-Y10), 1870-1880. Occasionally the board minutes omit to detail which branch certain loans have been granted at. For the purpose of chart 11.1 these loans have been excluded.

early and desirable time to close the branch at this place'.[17] As chart 11.1 displays, a number of the early branches, such as Whitby, Malton and Boroughbridge, were lending only small amounts, relative to other branches. On the other hand, however, business at Goole for example, showed very marked growth during the 1870s.

The Goole office was established in 1831, initially, as an agency connected with the Howden branch, only becoming a 'full' branch in 1838. The port of Goole, at the head of the Humber, is England's most inland port, 50 miles from the North Sea. However, the history of Goole, both as a town and a port, only began around 1820 when the Aire & Calder Navigation Co. obtained an Act of Parliament to construct a canal from Knottingley to Goole and to build two docks at the latter place with locks to give access to the tidal Ouse. The first street in Goole was laid out in 1823 and the canal, ship dock, barge and harbour basin to Knottingley were opened in 1826. By 1827, Goole had a population of 500 and constituted a port for foreign trade. On 6 April 1828, the brig *Stapler* sailed for Hamburg 'in the presence of a vast concourse of people, assembled from different parts to watch the event'.[18] On the same day, the market at Goole was opened.

Around 1830, a slip for ship repairs was installed, and by 1835, the Navigation Co. obtained a further Act for improving the waterway and to construct additional docks to accommodate large steamships just coming into use:

Steam Packets, Goole:

- To Hull every morning at 10, Hy. Beaumont, agent
- To Hamburgh, Wed & Sat, Rd. Clay, agent
- To Selby and Thorne, daily, Rd. Moody agt
- To Yarmouth, every Thursday and sailing vessels every Tuesday, Ibbotson & Lister agts
- To Knottingley and Castleford to meet the coaches from Leeds and Wakefield, a horse packet daily

White's Directory (1837)

[17] Report from the Ripon branch, York City & County Bank, 22 February 1851, *Managing Directors Branch Minute Book,* York City & County Bank (Y52).

[18] Goole Corporation, *The Borough of Goole Official Handbook of Town and Port*, (London, nd), p.21.

During the 1840s, a railway was constructed to Snaith, Pontefract and Wakefield which linked Goole by rail to Manchester and Liverpool. The Navigation Co. pressed forward installing more roads, sewers and a gas supply in the town and, during the following decades, Goole grew in size. By the 1860s, it was connected by railway to Doncaster, Hull and Selby. In fact, the town, and particularly the port, had progressed so much that by 1884, the amount of traffic tonnage handled annually exceeded one million.[19] In the words of Goole's modern official guide: 'ships, shipowners and brokers, shipwrights and shipbuilders, the production of foodstuffs and fertilizers, fat refining and tar distilling...plus ancillary enterprises serving each major industry – that briefly sums up the industrial life of the port of Goole'.[20]

As with the rise of Middlesbrough, the growth of the docks and water front which played an important part in the industrial expansion of Goole, could not fail to attract the attention of York City & County Bank's management which had supplied banking services to the town since 1831. By the 1870s particularly, the bank had become involved in ship finance and its associated branch of marine engineering, and funds were regularly advanced to: Goole Steam Shipping Co.; Humber Steam Shipping Co.; Goole Shipbuilding Co. and; Goole Engineering Co. These advances represented an early type of institutional lending to the world of ship finance which, up until the mid nineteenth century, was very much private. As a result, Goole was the only branch from York City's first phase of branch banking that grew in business after 1870.

Other early branches that maintained a respectable level of activity during the 1870s were Scarborough and Selby, although as Vernon notes, as early as 1831 when Robert Morrell and his family first arrived at the bank house at Selby, it was a town which was 'going down'.[21] Large-scale lending was not, typically, a feature of either the Scarborough or Selby branches during the 1870s which instead met the demand for large numbers of small overdrafts on current accounts.

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[19] *Ibid.*, p.23.

[20] *Ibid.*, p.35.

[21] Anne Vernon, *Three Generations: The Fortunes of a Yorkshire Family*, (1966), p.48.

An interesting, and rather unique, exception was the loan given to the Scarborough Aquarium Co. in 1875. It was established in the interests of natural science and was hoped to be an aid to scientific study and observation. The company was championed by a party of local scientists, one of whom was 'old Scarborough inhabitant' John Leckenby, agent at York City's branch there. His involvement in local affairs was extensive, while his passion for natural science unrivalled. Apart from constituting a representative shareholder in the newly formed Aquarium Co., he also had a long-running association with the Scarborough Philosophical and Archaeological Society and was a keen student of geology and palaeontology. His collection of shells, illustrating nearly every species known to British conchology, was said to be the best and most valuable in England. In short, 'he was the last survivor [by the 1870s] of a well-known party of local scientists...who were prominent for their knowledge of the treasures of the coast and district about Scarborough'.[22]

In June 1875, York City's directors approved an overdraft of £25,000 for the Scarborough Aquarium Co. for a period of twelve months. The account was secured by the joint and several promissory notes of the eight gentlemen named in the Articles of Association as promoters of the company. By February 1877, the bank had increased the overdraft limit by £10,000, securing it once more on the bond of the directors. Repayment of the debt was called for on 1 July 1877 (three months after John Leckenby passed away), on which the Aquarium Co. defaulted. By 1881, the company was reported to have failed, owing the bank a considerable sum. Despite the company's ultimate demise, this illustrates that York City's preoccupation with industrial finance was not at the expense of other investments, and the Aquarium Co. is an interesting example of a locally based advance to a concern quite unique to the town of Scarborough.

The affairs of the Scarborough branch came up again before the board in 1875 owing to the suicide of one of their customers. 'Melancholy suicide at Scarborough' proclaimed the *York Herald* in August 1875. 'The most painful interest was excited in this town yesterday morning by the rumour that a much respected inhabitant had terminated his existence under very melancholy circumstances'. It transpired that the deceased, William Hodgson, was indebted to

[22] *Scarborough Gazette*, 14 April 1877.

York City for a considerable sum. 'Subsequent to this event' reported the *Herald*, 'the deceased, who always actively engaged himself in agricultural pursuits, connected himself with a manure company at Nottingham, and it was currently rumoured last week that the speculation had failed rendering him liable to the extent of between £30,000 and £40,000...' It was added that 'in consequence of the pecuniary difficulties already hinted at, Mr Hodgson had been for some time labouring under a disturbed state of mind; and his actions had been somewhat erratic'.[23] In the event, William Morrell obtained administration of Hodgson's will, standing in place of the bank as creditor. It was later reported that all claims on Hodgson's policies of £5,000 had been admitted for payment.

Amalgamation and Concentration

Despite brief discussion of these smaller branches, it was, without doubt, York City's Middlesbrough branch which accounted for the remarkable growth in business during the 1870s. The Vaughan setback aside, York City remained at Middlesbrough and, under the initiative of William Morrell, followed industry along the north east coast and the northern border of the county to acquire an even larger connection. The results, by 1900, speak for themselves as table 11.4 shows:

Table 11.4 Accumulation of funds, York City & County Bank and Yorkshire Banking Co., 1870-1900 (£000)[24]

	Capital paid up		Reserve fund		Deposits	
	1870	1900	1870	1900	1870	1900
Yorkshire Banking Co.	250	375	66	325	1,839	4,854
York City & County Bank*	125	720	59	905	1,365	9,075

* Cumberland Union Bank (1901) not included

What this displays is that, by the turn of the century, the fortunes of Yorkshire's two biggest banks had reversed. In 1870, Yorkshire Banking Co. was the larger

[23] *York Herald*, 3 August 1875.

[24] Crick and Wadsworth, *Hundred Years of Joint Stock Banking*, p.232.

concern. However, the bank did not continue its experiment in Middlesbrough, remaining content instead to consolidate its hold over the wool district of the West Riding. York City, on the other hand, pushed further north into Teesside, participating to an increasing extent in the world of ship finance and its associated trades. Its management's indifference to the West Riding remained, however, and, despite opening branches at Leeds (1883) and Sheffield (1890), Bradford and Huddersfield were resolutely ignored. Of course, Bradford Banking Co., Huddersfield Banking Co. and Yorkshire Banking Co. were well established at these places but, at the same time, it was well known that William Morrell had a strong personal aversion to the wool district and could not be persuade to open branches there. Whether this was connected with his brother and father's unhappy experiences at Bradford is unknown, but York City remained outside the textile industry, and outside the West Riding.

York City's branching strategy after 1880 was based very much on amalgamation. In 1883, Darlington District Joint Stock Bank was the first joint-stock concern to be absorbed by York City. Thereafter, opportunities for extending the branch network in this manner were actively sought. In fact, this was the era of amalgamation in British banking. Towards the end of the nineteenth century, there was an increase in concentration in the banking sector brought about by the acceleration of merger activity. The extent of merger activity in British banking during the last quarter of the nineteenth century is shown in table 11.5:

Table 11.5 Merger activity in British banking, 1870-1900[25]

Year	Number of firm disappear-ances	Number of mergers	Year	Number of firm disappear-ances	Number of mergers
1870	0	0	1886	2	2
1871	2	1	1887	4	4
1872	4	4	1888	11	8
1873	4	4	1889	16	12
1874	6	6	1890	16	10
1875	5	5	1891	21	18
1876	4	2	1892	11	7
1877	8	5	1893	16	6
1878	12	10	1894	10	8
1879	4	3	1895	3	3
1880	4	4	1896	20	6
1881	3	2	1897	9	6
1882	3	3	1898	10	6
1883	8	5	1899	9	6
1884	6	4	1900	15	7
1885	2*	2*			

* Includes one Irish bank

At table 11.5 shows, the amalgamation movement peaked during the late 1880s and early 1890s; between 1880 and 1894 a total of 69 mergers took place. Expansion by merger had the advantage that banks could extend their branch networks relatively cheaply and easily.[26] Indeed, this was the way York City's

[25] Forrest Capie and Ghila Rodrik-Bali, 'Concentration in British Banking 1870-1920', *Business History*, Vol. 24, No.3, (1982), p.283.

[26] Lucy Newton, 'English banking concentration and internationalisation: contemporary debate, 1880-1920', in Sara Kinsey and Lucy Newton (eds.), *International Banking in an age of Transition: Globalisation, Automation, Banks and their Archives*, (1998), p.58 &63.

management chose to expand. Between 1890 and 1900 it absorbed three more joint-stock banks – Hull Banking Co. (1894), Barnsley Banking Co. (1897) and Borough of Tynemouth Trading Bank (1897). The bank's merger activity culminated in 1901 with its amalgamation with Cumberland Union Banking Co., which extended York City's operations into the iron and steel trades of the north west. For Cumberland Union this was a favourable move. Its management considered it far better to join with a country bank having the same interests as itself than to amalgamate with 'a big London bank, which would have cared nothing for local interests but would have swept up all the money they could get in the district and carried it off to lend in the South'.[27] The amalgamation was carried through successfully under the direction of William Morrell who, during these later years, was said to have 'worked as hard as he had ever done' despite concerns about his health. In fact, he refused to retire until the Cumberland Union negotiations were finalised. Upon retiring, his sister-in-law Margaret said that it was a 'terrible tearing away' for someone who's whole life had been bound up with the bank.[28]

The tendency towards the formation of a large and powerful concern had really started for York City, however, during the 1870s. The increased standardisation of practice, in line with other banks, the tendency towards 'bigness', and the increasing professionalisation of the establishment all pointed towards its adoption of the 'corporate form'. Within 50 years, York City & County Bank grew from a modest country bank to one of the country's largest provincial joint-stock concerns. Its position, by 1880, was a testament to William Morrell's leadership skills and his astute recognition that the benefits of size, resulting from amalgamation and extension, were the way forward.

By 1880, the bank had evolved significantly, yet at the same time, retained much of its original character. While appreciating that the bank was now a major player on the British banking scene, it is perhaps fitting, nonetheless, to end by imparting a final extract from the directors' minute book showing that, although big business was the future, the bank's management was still very much concerned with those at a branch level who had made the bank what it was:

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[27] Crick and Wadsworth, *Hundred Years of Joint Stock Banking,* p.231.

[28] Anne Vernon, *Three Generations: The Fortunes of a Yorkshire Family*, (1966), p.119.

‘A letter having been read from Mr William Brown of 16 Church Street, Halifax, Rate Collector to the Halifax Union, stating the circumstances under which his wife had accidentally burnt a £5 note of this Bank, the annexed fragment being all that remained, it was resolved that the sum be paid to him and an old outstanding note be written off against it’.[29]

[29] *DMB* (Y10), 25 October 1880.

At a Meeting of the Directors held on Monday 25th October 1880. Sir James Meek in the Chair.

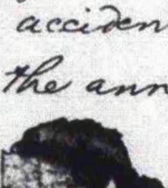
present, Mr Newton
, Taylor
, Wilberforce and
, J.R. Hill

Mr Hill took his seat, and subscribed the usual declaration as on the other side.

A letter was read from Mr Rockett acknowledging the resolution of the Directors on accepting Mr Rockett's resignation as a Member of the Board.

Transfers of Fifteen Shares in the Bank from Geo: Walter Browne were approved as follows: - viz Ten Shares to Edward Hill of Micklegate York, Grocer, and Five to R.T.C. Lyth of Goole.

A letter having been read from Mr Wm Brown of 16 Church Street, Halifax, Rate Collector to the Halifax Union, stating the circumstances under which his wife had accidentally burnt a £5 Note of this Bank, the annexed fragment being all that remained. It was resolved. That the sum be paid to him, & an old outstanding Note be written off against it.



Directors' Minute Book (Y10), 25 November 1880.

CONCLUDING REMARKS

Within just fifty years from the mid-1820s, the English provincial banking system altered radically from a fragmented base of private firms to becoming an integrated, network-based money transfer system. The previous chapters have analysed this development over the mid-century's critical years by focussing on a particular institution – York City & County Banking Co. Furthermore, the approach taken has enabled a consideration of the transformation of an important spatial constituent of the national economy through analysing the banker's role within a regional economy and society.

Examination of York City's particular experience between the 1830s and 1870s is both interesting and instructive for two other major reasons. It has, on the one hand, allowed an almost novel exploration of rural banking administered from a market town – York - while, on the other, providing a remarkable case of a marked change in business focus arising from York City's transformation from a rural bank to an industrial concern over just a decade - the 1870s.

The first forty years of the bank's history might, conveniently, be described as its 'agricultural phase'. Until 1870, it serviced the agricultural communities and market towns of Yorkshire's North and East Ridings. In many regards, the business was conducted like that of a private house, particularly in terms of the clientele attracted, management's policy towards advances, and the staff recruited. At the same time, however, the bank's management was prescient, as with the way that the business catchment area was expanded, since, quite unusually, York City branched from its commencement. Survival of various branch materials has afforded a fascinating, and quite unique, insight into customer relations, staff conduct, and business methods, particularly during the early years of joint-stock banking when networking was somewhat novel.

In particular, extant documents from the Selby, Howden and Ripon branches provided opportunities to consider how bank's customers managed their affairs and the credit networks in operation that facilitated their business transactions. What has been found at both branch and board levels for York City's early years, when its operations were confined almost exclusively to an agricultural area, is that its management faced difficulties in finding acceptable borrowers. Consequently, to mobilise resources fully, they looked further a field - to bill re-discounting, developed through regional and national links, and to the metropolitan stock market.

What is also revealed by board minutes, supplemented to a large extent by branch materials, are the ways that York City's first staff members developed custom at its branches. Again, there was an air of the private banking in the ways that business was transacted, not least because agents and clerks were recruited from the declining numbers of private houses. Business practice varied from branch to branch. Until the 1850s, branches were run quite autonomously, with agents being responsible for assessing the creditworthiness of customers, deciding upon securities and looking to alternate outlets for the investment of branch surplus funds. However, losses sustained as a result of the 1847-8 crisis, coupled with gross mismanagement that had coincidentally occurred at one branch, forced York City's senior management to tighten procedures. They issued instructions for the local conduct of the bank's affairs. Nonetheless, many branch business decisions remained, by and large, at agents' discretion, monitored only by periodic visits of representatives from head office.

In short, York City's 'agricultural phase' was a period of localised banking undertaken very much in the private tradition. What made it unusual was the propensity of the bank's management to branch; yet, until 1870 York City had an almost entirely rural clientele.

Over the late nineteenth century, York City became increasingly representative of the banking system as a whole as other provincial banks also began to initiate branch networks. In response, York City's management applied a strategy of developing custom in industrial Yorkshire (although not within the woollen textile trades) and the north east. Consequently, the 1870s ushered in a period of transition and change. The opening of the Middlesbrough branch in 1871, and the subsequent policy of expansion pursued under the direction of the new general manager, William Wilberforce Morrell, involved the bank directly in industrial finance, taking it for the first time into an investing rather than saving area. York

City's subsequent history was quite different, therefore, to that of its pre-1870 years.

In particular, involvement in the iron and steel industry proved both a chastening, yet important, experience in York City's development. Despite the near calamitous results of the dangerous locking up of assets, coupled with the City of Glasgow crash which precipitated the 1878 banking crisis, York City's management proved able to reconfigure the bank during the aftermath. They learnt the lessons of 1878. In particular, the adoption of limited liability and a revised attitude towards long-term industrial advances ensured that the bank continued to expand on a fundamentally sound basis.

Amalgamation and consolidation typified the bank's post-1870 years. Yet, the move within York City towards the formation of a large and powerful concern had developed during the 1870s. An increased standardisation of business practice in line with other banks, a tendency towards 'bigness', and the increasing professionalisation of the establishment all pointed towards the adoption by York City's management of the 'corporate form'. Thereby, within fifty years, York City & County Bank grew from being a modest country bank to become one of the country's largest provincial joint-stock concerns. Its position by 1880 was a testament to William Morrell's leadership skills and his astute recognition that the benefits of size, resulting from amalgamation and extension, were the basis for the way forward.

By the end of the nineteenth century, bank survival was becoming increasingly dependent on size. From 1883, York City began to acquire corporate institutions (beginning with Darlington & District Joint Stock Bank), a process that culminated in its merger with Cumberland Union Bank in 1901. The trend towards larger banks persisted into the twentieth century and, in 1909, York City's management bowed to amalgamation pressures by agreeing to fuse with London Joint Stock Bank which, itself, was absorbed by Midland Bank in 1918, thus becoming part of the so-called 'Big Five'.

APPENDICES

Appendix 1.1 Private Banking, Yorkshire (1750-1874)

Town	Name of bank	Date est.
Barnsley (W)	Foljambe Wood	1790
Barnsley (W)	Beckett & Co.	1796
Beverley (E)	Sykes, Crayke, Broadley & Lockwood	1790
Beverley (E)	Harland & Tuke	1790
Beverley (E)	Appleton & Co.	1796
Boroughbridge (W)	Fletcher & Co.	1804
Bradford (W)	Leach, Pollard & Co.	1760
Bradford (W)	Joshua Firth & Co.	1799
Bradford (W)	Peckover, Harris & Co.	1804
Bradford (W)	J. B. Hammond & Co.	1879
Bridlington (E)	Thompson & Co.	1802
Darly Hall (W)	Charles Bowns	1812
Dewsbury (W)	Hagues & Cook	1812
Dobcross (W)	Harrop, Rhodes, Roberts & Co.	1810
Dobcross (W)	Buckley & Co.	1814
Doncaster (W)	Ellison, Cooke, Childers & Swann	1750
Doncaster (W)	John Leatham, Edward Trueman, James Jackson & Thomas William Tew	1800
Gomersal (W)	Joshua Taylor & William Taylor	1812
Halifax (W)	Timothy Hainsworth, Adam Holden, Robert Swaine & William Pollard	1779
Halifax (W)	William Walker	1789
Halifax (W)	Ingram, Kennet & Co.	1791
Halifax (W)	Robert, John & Edward Swaine	1802
Halifax (W)	Jarret, Dawson & Hardy	1803
Halifax (W)	William Frobisher	1805
Halifax (W)	Nathan Wainhouse, Samuel Waterhouse & Richard Sutcliffe	1805
Halifax (W)	Chris Hudson	1805
Halifax (W)	John & William Rawson, John Rhodes & Rawdon Briggs	1807
Halifax (W)	Rhodes, Briggs & Garlick	1810
Halifax (W)	Christopher Rawdon, Christopher Rawdon Jnr., James Rawdon & Joshua Rawdon	1812
Halifax (W)	William Holdsworth	1816
Halifax (W)	Robert Witham	1824
High Melton (W)	John Coulthred	1798
Hopton (W)	John Wheatley & Joseph Wheatley	1812
Howden (E)	John Barker	1793
Howden (E)	Spafforth & Co.	1800
Howden (E)	Scholfield & Co.	1809
Huddersfield (W)	Dobson & Co.	1801
Huddersfield (W)	Perfect & Co.	1798
Huddersfield (W)	Sikes & Co.	1798
Huddersfield (W)	B. & J. Ingham	1800
Huddersfield (W)	Hirst & Sikes	1809
Huddersfield (W)	Francis Dawning	1812

Huddersfield (W)	James Brook, William Brook & Joseph Brook	1812
Huddersfield (W)	S. G. Sikes	1819
Huddersfield (W)	R. Porritt	1848
Hull (E)	Joseph Pease	1754
Hull (E)	R. Foster & I. Holmes	1759
Hull (E)	Edmund Bramston	1780
Hull (E)	Abel Smith II, Robert & Samuel Smith	1784
Hull (E)	Sir Christopher Sykes, Creyke, Broadley & Lockwood	1792
Hull (E)	Pease, Harrison & Co.	1797
Knaresborough (W)	Farside, Barnard & Co.	1793
Knaresborough (W)	Harrison, Terry & Co.	1798
Knaresborough (W)	Coates & Co.	1801
Leeds (W)	Wilson & Co.	1750
Leeds (W)	Wickham, Field & Co.	1780
Leeds (W)	Fenton, Scott & Co.	1793
Leeds (W)	Matthew Sawer, Joseph Roberts & Thomas Bailey	1808
Leeds (W)	Nicholson & Brown	1812
Leeds (W)	Crowder & Co.	1813
Leeds (W)	Bywater, Charlesworth & Co.	1827
Leeds (W)	George Smith	1831
Leeds (W)	Richard Reynolds	1835
Leeds (W)	J. R. Bywater	1843
Leeds (W)	Wilkinson & Kendall	1870
Leeds (W)	Bagley, Willans & Co.	1874
Leyburn (N)	Stapleton & Co.	1801
Malton (N)	Hayes, Leatham, Hodgson & Walker	1792
Malton (N)	Pease, Richardson & Co.	1796
Malton (N)	Hagues, Strickland & Co.	1816
Mirfield (W)	B. Wilson	1802
Mitholm (W)	Ale Turner, Hamlet Bent & James King	1812
Northallerton (N)	Richard William Pierce, Warcop Consett, Edward Topham & Thomas Walton	1793
Otley (W)	Thomas Maude, M. Wilson & J. Smith	1795
Otley (W)	Weir, Coates & Co.	1806
Pontefract (W)	John Perfect & John Seaton	1795
Pontefract (W)	John Leatham, James Jackson, Thomas William Tew & Edward Trueman	1800
Richmond (N)	Sir John Lawson, Bart & Miles Stapleton	1799
Richmond (N)	Hutton, Wood & Co.	1805
Ripon (W)	Harrison & Co.	1785
Ripon (W)	Coates & Co.	1798
Ripon (W)	Horsman & Co.	1802
Ripon (W)	Farrer, Williamson & Co.	1823
Ripon (W)	Charnock, Thackery & Co.	1823
Rothwell Haigh (W)	Thomas Fenton	1812
Saddleworth (W)	Harrop, Rhodes, Roberts & Co.	1810
Saddleworth (W)	James Buckley, John Roberts, John Wrigley, John Platt & Robert Shaw	1813

Scarborough (N)	John Bell, John Woodall, James Tindall & Gawan Taylor	1788
Scarborough (N)	Thomas Hayes, Isaac Leatham, Chris Hodgson, John Walker & Richard Humpton Lister	1793
Selby (W)	Seatons & Co.	1802
Selby (W)	Scholfield & Co.	1818
Selby (W)	Green, Myers & Co.	1818
Settle (W)	Birbecks & Co.	1791
Sheffield (W)	Shore & Co.	1774
Sheffield (W)	Thomas Broadbent	1782
Sheffield (W)	Archibald Macauley	1783
Sheffield (W)	Hannah Haslehurst & George Haslehurst	1784
Sheffield (W)	Walker & Co.	1791
Sheffield (W)	Rimington & Younges	1816
Skipton (W)	Sidgwick & Co.	1801
Stokesley (N)	Simpson, Sanderson, Taylorson & Granger	1796
Stoodley Bridge (W)	J., T. & J. Sutcliffe	1822
Thirsk (N)	Robert Oastler	1797
Thirsk (N)	Joseph Dresser & Co.	1820
Wakefield (W)	John Baildon	1780
Wakefield (W)	Ingram & Kennet	1791
Wakefield (W)	Townsend & Co.	1803
Wakefield (W)	Milnes, Leatham & Co.	1809
Whitby (N)	Thomas Peirson	1778
Whitby (N)	Sanders & Sons	1779
Whitby (N)	Wakefield Simpson & Abel Chapman	1785
Whitby (N)	Thomas Pearson	1785
Whitby (N)	Clarke, Richardson & Hodgson	1786
Whitby (N)	Margaret & Robert Campion	1800
Whitby (N)	Miles, Wells & Co.	1802
York (E)	Garforth & Co.	1771
York (E)	Cromptons, Ewbank & Co.	1780
York (E)	Wilson, Smith, Hartley, Tweedy & Oldfield	1796
York (E)	Godfrey W. Wentworth, Robert Chaloner, Thomas Rishworth & R. Townsend	1813

Data extracted from Margaret Dawes and C. N. Ward-Perkins, *Country Banks of England and Wales,* (2000), pp.30-671.

Appendix 1.2 List of Original Shareholders, York City & County Bank, 1830

'Names and places of abode of all parties concerned or engaged in such corporation or copartnership, 4 March 1830'.

James Audus	Selby
James Atkinson	York
Oswald Allen	York
George Townsend Andrews	York
Samuel Atkinson	Osbaldwick
Joseph Awmack	York
William Allen	York
John Appleton	Stokesley
Peter Atkinson	York
Thomas Atkinson	York
Thomas Backhouse	York
Thomas Barstow	Naburn
George Brown	York
John Barstow	Acomb
Richard Burdekin	York
Stephen Beckwith	York
Joshua Baraclough	York
John Barker	York
George Peacock Bainbridge	York
John Bradley	York
James Backhouse	York
George Bell	York
John Allanson Bulmer	York
Robert Buckle	York
George Brown (the younger)	York
Richard Baille	Tadcaster
Robert Brown	Marton
William Brogden	Brandsby
John William Brewis	York
Alexander Barclay	York
John Bleckey	York
Samuel Bleckey	Malton
Benjamin Burnell	Eghough, nr. Snaith
William Blanchard	York
George Brown	York
John Beckitt	York
James Burrows	Helmsley
Robert Barker	Helmsley
Robert Bramley	York
Martin Barnell	Bishopthorpe
William Burrill	Osbaldwick
Andrew Brown	Stillington
Thomas Bointon	Pickering
David Beal	Full Sutton
Thomas Bulmer	Lane House, nr. Bedale
John Bulmer	Pocklington

George Champney	York
Faville James Copsie	York
Thomas Comber	Oswaldkirk
Matthew Carr	York
William Stephenson Clark	York
John Henry Cattley	York
John Coates	York
Richard Clark	York
William Clark	York
Benjamin Clough	York
Harry Croft	Stillington
Amos Coates	York
Charles Cox	Poppleton
John Clemestha	York
George Cooper	York
John Catton	York
William Crabtree	York
William Crummack	York
William Cropper	York
Jonathon Chrispin	Cornbrough
William Calvert	Acomb
John Hobart Cradock	Grimston
Edward Cullingworth	Thornton
Samuel Drew	York
James Day	York
Edward Day	York
George Dodsworth	Wheldrake
Robert Dickinson	York
Robert Dobson	York
James Dalby	Dringhouses
George Dodsworth (junior)	Fulford
Robert Dutton	York
Christopher Dent	York
Benjamin Dodsworth	Haxton
Thomas Donkin	York
William Dyson	Howden
Lawrence Daniel	Whixley
William Daniel	Whixley
James Dunlop	Malton
Robert Ellis	Elerick
Richard Evers	York
James Ellis	Bradford
Thomas England	York
James Edmund	Easingwold
Matthew Furniss	York
Caleb Fletcher	York
George Frank	Kirbymoorside
James Field	York

James Guy	York
Matthew Gawthorpe	York
Robert Gibson	York
Francis Flower Geldart	York
Richard Gaunt	Ingmanthorpe
George Groves	York
Benjamin Hornor	York
William Vane Hope	York
John Heeles	York
Thomas Fishburn Hall	York
William Hale	Acomb
Charles Hall	York
Matthew Hick (junior)	York
William Hotham	York
Charles James Hanson	York
John Harrison	Helmsley
William Hands	York
John Henderson	Castle Howard
William Hudson	York
Richard Hawkin	York
Joseph Hick	York
George Hopton	York
Richard Hornby	York
Robert Hartas	Rosedale
Samuel Herbert	Fulford
Thomas Harrison	Kirby
Ellis Leckonby Hodgson	Snydall
Henry Harrison	Northallerton
Robert Hare	Northallerton
John Hicks	Bowling Iron Works
John Hartley	Tadcaster
George Jennings	York
Joseph Johnson	York
Thomas Jennings	Clifton
John Jackson	York
George Jackson	Northallerton
Joseph Jakell	York
William Jackson	Tadcaster
Thomas Johnson	Pocklington
John Johnson	Easingwold
William Jackson	Bishopthorpe
John Dunnington Jefferson	Thorganby
George Knowles	Lucan House, nr. Ripon
Joseph King	York
Jonathon Kirkby	Acomb
Robert Kirby	Tadcaster
Philip Knapton	York
James Kendrew	York
Thomas Knights	Hexby

Thomas Laycock	Appleton
William Labron	York
John Lightfoot	Masham
Thomas Lazenby	Flaxton
Thomas Lambert	York
William Lockwood	York
William Lockwood	Easingwold
John Lythe	Haxby
William Lancaster	Feliskirk
James Meek	York
Robert Menzies	Harewood
Thomas Mason	York
John Mouncer	York
Thomas Millington	York
John Moxon	York
Richard Milner	York
Thomas Mann	York
James Martin	Gate Helmsley
William Graves North	York
Richard Nicholson	York
John Nelson	York
George Nelson	York
Simon Nicholson	York
John Nicholson	Heslington
Leonard Overend	York
Thomas Price	Clementhorpe
Robert Petch	Kirbymoorside
John Priestman	Bradford
Joseph Charles Parsons	York
Charles Palmer	York
William Pape	York
James Pigott Pritchett	York
William Pape	York
David Priestman	York
Samuel Priestman	Kirkstall
William Parr	York
Thomas Priestman	Hull
Thomas Pierson	Pickering
Carlton Phillips	York
Thomas Phillips	York
Thomas Phillips	Beadlam Grange, nr. Helmsley
Robert Pickering	Malton
Edward Parker	Selby
Joseph Quarton	Stamford Bridge
William Richardson	York

Thomas Richardson	York
James Richardson	York
James Robinson	York
Robert Robinson Rocliffe	York
William Richardson	Fulford
Henry Robinson	York
John Rhodehouse	Easingwold
Fextus Ramsey	York
Mary Robinson	York
Charles Robinson	Acomb
Thomas Rayson	York
William Scawin	York
John Swale	York
James Scawin	York
John Sears	York
Christopher Sears	York
Henry Stead	York
William Scott	Clifton
William Sweeting	Bedale
William Smith	Tadcaster
Benjamin Seebohn	Bradford
John Sumpner	York
Thomas Swarbrick	Thirsk
Christopher Simpson	York
Abraham Stansfield	York
Henry Hawk Sphink	Tadcaster
Thomas Smith	Wetherby
Edward Stead	York
George Steward	York
Henry Steward	York
Edward Steward	York
Henry Sedgwick	Northallerton
Robert Shepherd	Bowforth
William Shipton	Green Hamerton
George Smallwood	Middlethorpe
James Shepherd	Y--kleastle
Samuel Tuke	York
Robert Tonge	York
William Tate	York
Daniel Tuke	York
Isaac Taylor	York
Robert Topham	Mowthorpe
John Topham	Mowthorpe
John Tesseyman	York
James Taylor	York
William Thompson	Haslewood
Richard Thomas	York
Ralph Todd	York
Margaret Todd	Bilbrough

Michael Varvill	York
James Upton	Tadcaster
George Upton	Wetherby
Robert Waller	York
Stephen Parkinson Wilks	York
Smith Wormald	Tadcaster
Ann Winn	York
Charles Weddall	Selby
Charles Weddall	Selby
George Wright	Askham
Joseph Wood (the younger)	York
Thomas Watkinson	York
John Wilson	York
William Watson	York
Caleb Williams	York
John Wade	York
William Watson	York
William Wilks	York
Benjamin Wicheley	York
John Wolstenholme	York
Henry Winch	London
Richard Wellfoot	Acomb
Paul Wilks	York
John Weatherill	York
William Wiggins	York
Joseph Walker	Ripley
Thomas Wright	Pocklington
Christopher Watson	York

Appendix 4.1 Bills of Exchange, John Adams & Sons (Flax Spinners) and John Adams (Timber Merchant & Ironmonger), Selby Branch, York City & County Bank, 1835-1851

Place issue	Date issue	Date due	M*	Amount (£, s, d)			Drawer	Payee	Accep-tor*	Endorsements	Date acceptance	Other notes
				191	8	4	Murray & Co		JA&S		29/12/1835	Bill Missing
Hull	01/07/1835	04/01/1835	6	506	0	7	Thomas William Torr		JA&S	Thomas William Torr; Hull Banking Co; Barclay & Co	01/01/1836	
Hull	01/07/1835	04/01/1836	6	272	19	10	Eyre & Co (Hull)		JA&S	Eyre & Co; Glyn & Co; Pease & Liddells	01/01/1836	
Konigsberg	14/10/1835	17/01/1836	3	180	0	0	R M Dittrich	Hassell & Co (Hull)	JA&S	Harrison, Watson & Co; Hassell & Co; Walmsley, Keighly & Parkin; Lightofoot & Cawshouse; Gurlings & Co	14/01/1836	

Antwerp	30/01/1836	07/02/1836	10 days	102	12	2	DuVivier Bros	G Agie	JA&S	Reid, Irving & Co (Antwerp); G Agie; and two others		Accept'c missing
Hull	12/11/1836	15/02/1836	3	210	7	1	F B Ogden	Hassell & Co (Hull)	JA&S	Hassell & Co, Harrison, Watson & Co; Price & Co	12/02/1836	
Riga	16/11/1835	19/02/1836	3	304	1	5	William Straus & Co	Collmann, Lambert & Co	JA&S	Collmann, Lambert & Co; and three others	16/02/1836	
Riga	04/11/1835	19/02/1836	3	245	7	3	Helmsing & Co	Godeffrey & Simson	JA&S	Godeffrey & Simson	16/02/1836	
Antwerp	09/02/1836	12/04/1836	2	84	12	8	DuVivier Bros	G Agie	JA&S	Baring Bros & Co; G Agie		
Hull	22/08/1835	22/02/1836	6	623	0	10	John Beadle & Co		JA&S	John Beadle & Co	22/02/1836	
Rotterdam	30/11/1835	03/03/1836	3	67	5	10	J Van Egmont & Sons (Rotterdam)	Douglas, Anderson & Co	JA&S	Douglas, Anderson & Co; Barclay & Co; M Cavalier	29/02/1836	
Rotterdam	21/12/1835	24/03/1836	3	74	19	2	J Van Egmont & Sons (Rotterdam)		JA&S	One illegible	21/03/1836	

Hull	01/10/1835	04/04/1836	6	305	6	8	Thomas William Torr		JA&S	Thomas William Torr; Barclay & Co; Hull Banking Co	02/04/1836	
Hull	10/12/1835	13/04/1836	4	416	17	1	Hassell & Co (Hull)		JA&S	Harrison, Watson & Co; Hassell & Co; Price & Co	09/04/1836	
London-derry	13/02/1836	17/04/1836	61 days	115	18	5	Robert Stevenson		JA&S	Robert Stevenson; Belfast Banking Co; Leeds Banking Co; Smith, Payne & Co	14/04/1836	
Dunkirk	22/02/1836	25/04/1836	2	111	1	11	J Deboe & Van Brabant (Dunkirk)		JA&S	Chalmus, Guthrie & Co; Barnett & Co	23/04/1836	
Hull	02/11/1835	05/05/1836	6	285	19	11	Thomas William Torr		JA&S	James Hill & Sons; Thomas William Torr	03/05/1836	
Hull	28/01/1836	31/05/1836	4	834	0	0	George William Schroeder Holdings (Riga)		JA&S	Sir J W Lubbock Bart; George William Schroeder Holdings (Riga)	28/05/1836	

Hull	29/01/1836	01/06/1836	4	192	8	9	William Beadle		JA&S	William Beadle; Overend & Co; Hull Banking Co; Swinley & Co	30/05/1836	
Hull	22/01/1836	25/07/1836	6	148	1	7	Hassell & Co		JA&S	Harrison, Watson & Co; Hassell & Co; Price & Co	21/07/1836	
Hull	03/02/1836	06/08/1836	6	630	19	3	John Torr & Co		JA&S	Thomas Torr & Co; Smith, Payne & Co	03/08/1836	
Belfast	12/05/1836	15/08/1836	3	134	11	7	Robert Stitt		JA&S	Northern Banking Co; J Wyatt; Joseph Martin & Co; Williams, Hughes & Co	12/08/1836	
Riga	04/05/1836	19/08/1836	3	241	6	4	Helmsing & Grimm	Godeffrey & Simson	JA&S	Godeffrey & Simson	16/08/1836	
Dunkirk	14/07/1836	17/09/1836	2	138	5	10	J De Boe & Van Brabant (Dunkirk)		JA&S	Wilson, Hudson & Co (Dunkirk); J De Boe & Van Brabant (Dunkirk); Bank of England; Hull Banking Co	14/09/1836	

Hull	28/06/1836	01/10/1836	3	158	2	11	George Cammell (Hull)		JA&S	Hull Banking Co; George Cammell; Barclay & Co	28/09/1836	
Hull	06/09/1839	09/03/1840	6	277	2	8	George Cammell (Hull)		JA&S	Smith Bros (Leeds); George Cammell; Leeds & West Riding Banking Co	06/03/1840	
Hull	06/11/1839	09/03/1840	4	587	14	6	Christopher Bolton & Son		JA&S	Christopher Bolton & Son; Glyn & Co; Pease & Liddells	06/03/1840	
Hull	07/09/1839	10/03/1840	6	247	12	2	Charles Stuart		JA&S	Charles Stuart; Clay & Squire; Pease & Liddells	06/03/1840	
Hull	11/11/1839	14/03/1840	4	446	13	4	Charles Stuart		JA&S	Charles Stuart; Glyn & Co; Pease & Liddells	10/03/1840	
London	05/11/1839	05/08/1840	6	104	9	2	John Mitchell & Co		JA&S	John Mitchell & Co; Smith, Payne & Co	05/05/1840	For value received in flax

Lancs ?	09/11/1839	12/05/1840	6	513	17	4	Stuckey & Bagshots		JA&S	Stuckey & Bagshots; Robarts, Curtis & Co for Stuckey's Banking Co	09/05/1840	
Hull	02/03/1840	05/07/1840	4	257	6	6	Charles Stuart		JA&S	Charles Stuart; Glyn & Co; Pease & Liddells	02/07/1840	
Hull	11/01/1840	14/07/1840	6	329	4	10	Christopher Bolton & Son		JA&S	Christopher Bolton & Son; Pease & Liddells; Pritchard & Cornthwaite; Glyn & Co for Bank of Liverpool	11/07/1840	Value received in flax
St Petersburg	10/05/1840	25/08/1840	3	439	12	0	Schlusser & Co (St Petersburg)	Perkins, Schlusser & Mullens	JA&S	Perkins, Schlusser & Mullens; Barclay & Co	22/08/1840	
Hull	03/04/1840	06/10/1840	6	211	16	5	Charles Stuart		JA&S	Charles Stuart; Glyn & Co; Pease & Liddells	03/10/1840	

Hull	01/05/1840	04/11/1840	6	198	3	11	Charles Stuart		JA&S	Charles Stuart; Pease & Liddells; Eyre & Co; Yorkshire Agricultural & Commercial Bank; Barclay & Co	02/11/1840	Value received in flax
Hull	13/07/1840	13/01/1841	6	163	11	6	John Torr & Co (Hull)		JA&S		13/01/1841	Bill of exch'g missing
London	16/07/1840	19/01/1841	6	300	0	0	Daniels & Payne		JA	Daniels & Payne	16/01/1841	
Hull	15/09/1840	18/01/1841	4	395	10	0	John Henry Youle		JA	J H Youle; Price & Co		
London	18/07/1840	21/01/1841	6	308	17	0	Daniels & Payne		JA	Daniels & Payne	18/01/1841	
Warrington	04/12/1840	07/02/1841	2	50	0	0	Peter Stubs		JA	Peter Stubs; Sheffield ? Bank; Rotherham ? Bank; George Exley; Thomas Turner; Thomas Higgin; John Mally; J A Lester; Richard Jones & Co	04/02/1841	

Hull	09/10/1840	12/02/1841	4	176	6	6	Richard Wade, Sons & Co		JA	Richard Wade, Sons & Co; Pease & Liddells	09/02/1841	
Hull	08/10/1840	11/02/1841	4	89	18	0	Timothy Thorney		JA	Timothy Thorney; Barclay & Co; Hull Banking Co	09/02/1841	
Birming-ham	02/11/1840	05/03/1841	4	81	9	9	Execs. of late John Carr		JA	James Baldwin (exec. of John Carr); Bank of England; Birmingham Banking Co	01/03/1841	
Hull	30/11/1840	02/04/1841	4	155	16	3	Hassell & Co		JA	Hassell & Co; Sir C Price	30/03/1841	

Hull	30/11/1840	02/04/1841	4	211	8	9	John Henry Youle		JA	J H Youle; Hassell & Co; Harrison, Watson & Co; Price & Co; Holderness & Childton; Thomas Simpson; William Gibson; William Hyde & Co; John Brudrick & Son; Smith Payne & Co; Samuel Smith Bros & Co	30/03/1841	
London	12/10/1840	15/04/1841	6	268	14	8	D G Elster (London) for William Betheaus Co (St Petersburg)		JA&S	D G Elster for William Bestheaus Co (St Petersburg); John Holford & Co; Thomas J Kingsford	12/04/1841	Value received in flaxen
London	08/03/1841	11/06/1841	3	203	17	0	Daniels & Payne		JA	Daniels & Payne	08/06/1841	

Hull	04/03/1841	07/07/1841	4	46	9	4	Saunders & Co		JA	Saunders & Co for the Yorkshire District Bank; Bank of Manchester; Denison, Heywood, Kennard & Co	03/07/1841	
Hull	04/03/1841	07/07/1841	4	313	17	9	Holderness & Chilton		JA	Holderness & Chilton; Thomas Barkworth; Todd, ? & Co; Smith, Gainsborough, Ellison & Co; Reid & Co; Smith, Payne & Smith		Accept'c missing Value received in wood
Hull	11/03/1841	14/07/1841	4	163	17	2	Charles Stuart		JA	Charles Stuart; Perkins, Schlusser & Mullens	10/07/1841	
Hull	10/03/1841	13/07/1841	4	119	19	8	Timothy Thorney		JA	Timothy Thorney; Glyn & Co; Pease & Liddells	10/07/1841	

Hull	16/03/1841	19/07/1841	4	154	18	0	Charles Stuart		JA&S	Charles Stuart; Bank of Ireland; James Goddard; Richard Hunt; Gloucestershire Banking Co	17/07/1841	
Dudley	23/03/1841	26/07/1841	4	67	8	2	John Hodgetts		JA	John Hodgetts; two illegible names	23/07/1841	
Birming-ham	12/04/1841	15/08/1841	4	76	13	0	Keep & Hinkley		JA	Keep & Hinkley; Bank of England; Birmingham Banking Co	12/08/1841	
Low Moor Iron Works	07/07/1841	10/01/1842	6	169	11	8	Hird, Dawson & Hardy		JA	Hird, Dawson & Hardy; Robert Harrison & Co; Glyn, Halifax & Co; Beckett & Co; Glyn & Co	07/01/1842	
Rotherham	16/08/1841	19/01/1842	5	116	8	0	William Scholfield		JA	William Scholfield; Bank of England; Birmingham & Midlands Bank	17/01/1842	Value received in iron
London	16/07/1841	19/01/1842	6	290	5	0	Daniels & Payne		JA	Smith, Payne & Co	17/01/1842	

Hull	25/09/1841	25/01/1842	4	331	16	11	John Henry Youle		JA	J H Youle; Thomas Parkin; Sir C Price; Harrison, Watson & Co	21/01/1842	
Birming-ham	23/09/1841	26/01/1842	4	84	10	0	Keep & Hinkley		JA	Keep & Hinkley; Bank of England; Birmingham Banking Co		Accept'c missing
Hull	23/09/1841	26/01/1842	4	233	9	2	Holderness & Chilton		JA	Holderness & Chilton	24/01/1842	Value received in wood
Hull	11/10/1841	11/02/1842	4	78	17	0	Simpson & Whaplate		JA	Simpson & Whaplate; Sir C Price & Co; Harrison, Watson & Co	12/02/1842	
London	01/03/1842	04/06/1842	3	376	0	0	Daniels & Payne		JA	Daniels & Payne; Smith, Payne & Co	01/06/1842	
Hull	01/03/1842	01/07/1842	4	131	5	4	J & H Youle		JA	J & H Youle; Sir C Price & Co; Harrison & Watson	01/07/1842	

Hull	01/03/1842	04/07/1842	4	277	0	11	Holderness & Chilton		JA	Holderness & Chilton; Glyn & Co; Pease & Liddells	01/07/1842	Value received in wood
Birming-ham	01/04/1842	04/08/1842	4	73	0	0	Keep & Hinkley		JA	Keep & Hinkley; James Coulthard; National Provincial Bank of England (Birmingham)	01/08/1842	
Dudley	05/05/1842	08/09/1842	4	106	0	0	John Hodgetts		JA	John Hodgetts; H Dalton; Bank of Ireland; Drummond & Co; Bank of England	05/05/1842	Value received in iron
London	01/07/1842	04/10/1842	3	103	4	0	Daniels & Payne		JA	Daniels & Payne; Smith, Payne & Co	01/10/1842	

Low Moor Iron Works	30/06/1842	03/10/1842	3	100	0	0	Hird, Dawson & Hardy		JA	Hird, Dawson & Hardy; Thomas Wade; William Gattliffe, Son & Co; Joseph Hargreaves; Mr Williamson; Harrison & Co; John Sugden; Jones, Loyd & Co; Bradford Banking Co; Glyn & Co	01/10/1842	
Hull	18/06/1842	21/10/1842	4	136	7	7	Holderness & Chilton		JA	Holderness & Chilton; Robert Harrison; Barclay & Co; Simpson & Spencer	18/10/1842	Value received in wood
Iron Works, Wednes-bury	05/08/1842	08/12/1842	4	63	8	9	Russell Bros & Co		JA	Russell Bros & Co; William Deacon & Co; Dudley & West Bromwich Banking Co	05/12/1842	
Hull	10/08/1842	13/01/1843	5	352	9	4	Holderness & Chilton		JA	Holderness & Chilton	10/01/1843	Value received in wood

Hull	02/11/1842	05/03/1843	4	136	14	5	Richard Wade & Sons		JA	Richard Wade Sons & Co; Glyn & Co; Pease & Liddells	01/03/1843	
London	01/11/1842	04/03/1843	4	300	0	0	Daniels & Payne		JA	Daniels & Payne; Smith, Payne & Co	01/03/1843	
London	05/11/0842	04/04/1843	5	253	0	0	Daniels & Payne		JA	Daniels & Payne; Smith, Payne & Co	01/04/1843	
Hull	12/01/1843	05/05/1843	4	409	9	5	Richard & John Harrison		JA	Richard & John Harrison; Dir C Price & Co; Harrison & Watson	02/05/1843	
London	01/03/1843	04/06/1843	3	138	8	0	Daniels & Payne		JA	Daniels & Payne; Smith, Payne & Co	01/06/1843	
Low Moor Iron Works	01/04/1843	04/07/1843	3	116	0	0	Hird, Dawson & Hardy		JA	Hird, Dawson & Hardy; Barnett & Co; H W Harris & Co	01/07/1843	
Birming-ham	01/04/1843	04/08/1843	4	108	10	0	Keep & Hinkley		JA	Keep & Hinkley; Bank of England; Birmingham Banking Co	01/08/1843	

Dudley	04/05/1843	07/09/1843	4	114	0	0	John Hodgetts		JA	John Hodgetts; Jones, Loyd & Co; Birmingham Banking Co	04/09/1843	Value received in iron
Hull	16/09/1843	19/01/1844	4	163	16	2	Richard & John Harrison		JA	Richard & John Harrison; Thomas Ward; Edward Gibson; Sir C Price; Harrison & Watson	16/01/1844	
	01/11/1843	01/02/1844	3	110	8	0	Daniels & Payne		JA		01/02/1844	Bill of exch'g missing
Hull	02/11/1843	05/03/1844	4	166	18	6	Richard Wade Sons & Co		JA	Richard Wade Sons & Co; R J Garbutt; Deacon & Co; Yorkshire Banking Co	02/03/1844	
Hull	20/11/1843	23/03/1844	4	81	3	0	Holderness & Chilton		JA	Bank of England; Holderness & Chilton	20/03/1844	Value received in wood
Hull	20/11/1843	23/03/1844	4	198	17	8	Richard & John Harrison		JA	Richard & John Harrison; Sir C Price & Co; Harrison & Watson	20/03/1844	

Hull	01/01/1844	04/05/1844	4	141	19	7	Timothy Thorney		JA	Timothy Thorney; Glyn & Co; Pease & Liddells	01/05/1844	
Hull	08/01/1844	11/05/1844	4	124	11	5	Richard Wade Sons & Co		JA	Richard Wade Sons & Co; Glyn & Co; Pease & Liddells	09/05/1844	
Hull	09/01/1844	12/05/1844	4	56	0	6	Holderness & Chilton		JA	Holderness & Chilton; Francis Ware; J W Robinson; Sam Smith Bros & Co; Edward Gibson; Sir C Price & Co; Harrison & Watson	09/05/1844	
Hull	24/01/1844	27/05/1844	4	85	9	6	Timothy Thorney		JA	Timothy Thorney; Pease & Liddells; Yeats & Walton; William Caley Sons	24/05/1844	

Birming-ham	01/04/1844	04/08/1844	4	111	10	0	Keep & Hinkley		JA	Keep & Hinkley; Jones, Loyd & Co; Birmingham Banking Co	02/08/1844	
Dudley	01/05/1844	04/08/1844	3	158	12	7	John Hodgetts		JA	John Hodgetts; Jones, Loyd & Co; Birmingham Banking Co	02/08/1844	
Hull	06/04/1844	09/08/1844	4	125	18	2	Richard Wade Sons & Co		JA	Richard Wade Sons & Co; Glyn & Co; Pease & Liddells	06/08/1844	
Hull	16/04/1844	19/08/1844	4	135	9	6	Thomas Newmarch		JA	Thomas Newmarch; Thomas Dalton & Co; Hull Banking Co; Barclay & Co; George Buckton & Son; Wills & Osler; Glyn & Co; Pease & Liddells	16/08/1844	

Dudley	17/05/1844	20/09/1844	4	120	2	0	John Robinson		JA	John Robinson; William Deacon; Dudley & West Bromwich Banking Co	17/09/1844	
Hull	30/05/1844	03/10/1844	4	79	19	5	Holderness & Chilton		JA	Holderness & Chilton; Glyn & Co; Pease & Liddells	01/10/1844	
(Low Moor Iron Works)	01/07/1844	04/10/1844	3	135	13	6	Hird, Dawson & Hardy		JA	Hird, Dawson & Hardy; Denison & Co; A Heywood Son & Co	01/10/1844	
London	01/07/1844	04/11/1844	4	458	5	0	Daniels & Paynes		JA	Daniels & Payne	01/11/1844	
Birming-ham	01/10/1844	04/02/1845	4	68	10	0	Keep & Hinkley		JA	Keep & Hinkley; Jones, Loyd & Co; Birmingham Banking Co	01/02/1845	

Headingley nr. Leeds	01/08/1844	04/02/1845	6	1000	0	0	James Audus		JA&S	James Audus; Bruce Buxton & Co; Leeds Banking Co	01/02/1845	Value received in deals & timber. Ship: Lord Wenlock (Capt. Hibbs)
Headingley nr. Leeds	01/08/1844	04/02/1845	6	350	0	0	James Audus		JA	James Audus; Bruce Buxton & Co; Leeds Banking Co	01/02/1845	
Hull	01/11/1844	04/03/1845	4	616	18	0	Richard Wade Sons & Co		JA	Richard Wade Sons & Co; Glyn & Co; Pease & Liddells	01/03/1845	
Dudley	01/11/1844	04/03/1845	4	127	5	0	John Hodgetts		JA	John Hodgetts; Birmingham Banking Co; Barclay, Bevan & Co	01/03/1845	
London	01/11/1844	04/03/1845	4	147	18	0	Daniels & Payne		JA	Daniels & Payne	01/03/1845	

Dudley	04/12/1844	07/03/1845	3	154	6	0	Bennitts & Files		JA	Bennitts & Files; Bank of England; Birmingham Town & District Banking Co	04/03/1845	
Hull	14/12/1844	17/04/1845	4	117	2	4	Holderness & Chilton		JA	Smith, Payne & Co; Holderness & Chilton; Francis Ware; Thomas Torr & Co; Sam Smith Bros & Co; Smith, Ellison & Co; Smith Payne & Smith	14/04/1845	
Hull	23/11/1844	26/05/1845	6	98	1	4	William Ward		JA	William Ward; Glyn & Co; Pease & Liddells	23/05/1845	
Hull	05/02/1845	08/06/1845	4	98	18	4	Timothy Thorney		JA	Timothy Thorney; Glyn & Co; Pease & Liddells	05/06/1845	

Hull	15/02/1845	18/06/1845	4	91	14	6	Dennis Peacock		JA	Dennis Peacock; Hughes & Co; Harrsion & Watson; Sir C Price & Co; Carron Co; King & Co; Bank of Scotland; Coutts & Co	16/06/1845	
Hull	04/03/1845	07/07/1845	4	78	15	0	Dennis Peacock		JA	Dennis Peacock; W Miller & Co; Harrison & Watson; Price & Co; John Barrowcliff; Simpson & Whaplate	04/07/1845	
Birming-ham	28/03/1845	31/07/1845	4	52	4	0	Keep & Hinkley		JA	Keep & Hinkley; George Swain & Co; Spooner & Co	28/07/1845	
Hull	24/04/1845	27/08/1845	4	71	5	6	Timothy Thorney		JA	Timothy Thorney; Glyn & Co; Pease & Liddells	25/08/1845	
Dudley	01/03/1845	04/09/1845	6	156	10	0	Burnitts & Files		JA	Bank of England; Burnitts & Files	01/09/1845	

Hull	01/03/1845	04/09/1845	6	256	1	6	Simpson & Whaplate		JA	Simpson & Whaplate; Price & Co; Harrison & Co	01/09/1845	
Low Moor Iron Works	01/07/1845	04/10/1845	3	89	10	0	Hird, Dawson & Hardy		JA	Hird, Dawson & Hardy; Smith & Tuke; Thomas Henry Croft; Robarts, Curtis & Co; Royal Bank of Liverpool	01/10/1845	
London	01/07/1845	04/10/1845	3	185	4	0	Daniels & Payne		JA	Daniels & Payne; Smith, Payne & Co	01/10/1845	
Dudley	16/10/1845	19/01/1846	3	191	14	11	John Robinson		JA	John Robinson; William Deacon & Co; Dudley & West Bromwich Banking Co	16/01/1846	
Hull	16/09/1845	19/01/1846	4	189	1	2	R Wade Sons & Co		JA	R Wade Sons & Co; Glyn & Co; Pease & Liddells	16/01/1846	
Hull	30/09/1845	02/02/1846	4	56	9	9	Tealby & Co		JA	Tealby & Co; Glyn & Co; Pease & Liddells	30/01/1846	

Birming-ham	01/10/1845	04/02/1846	4	55	0	0	Keep & Hinkley		JA	Keep & Hinkley; J Pumfrey & Son; Birmingham Banking Co	02/02/1846	
Hull	03/10/1845	06/02/1846	4	75	14	0	Dennis Peacock		JA	D Peacock; Harrison, Watson & Co; Price & Co; James Lean; W Holmes; J & T T Leonard; John & George Dickinson; Glyn & Co; Pease & Liddells	02/02/1846	
Hull	01/10/1845	04/02/1846	4	137	3	1 1	John Dalton & Co		JA	John Dalton; Barclay & Co; Hull Banking Co	02/02/1846	

Hull	12/12/1845	15/04/1846	4	120	10	0	Tealby & Co		JA	Tealby & Co; Pease & Liddells; Greet, Helmsing & Co; Hale Banking Co; George Callison & Co; Hull Banking Co; Barclay, Bevan & Co	11/04/1846	
Hull	11/12/1845	14/04/1846	4	164	2	3	Holderness & Chilton		JA	Holderness & Chilton; Yorkshire Banking Co; Barclay, Bevan & Co	11/04/1846	Value received in wood
Hull	01/12/1845	04/05/1846	5	121	11	6	Timothy Thorney		JA	Timothy Thorney; Glyn & Co; Pease & Liddells	01/05/1846	
London	01/07/1846	04/10/1846	3	71	10	6	Daniels & Payne		JA	Daniels & Payne; Smith, Payne & Co	01/10/1846	
Hull	01/06/1846	04/10/1846	4	281	14	6	Simpson & Whaplate		JA	Simpson & Whaplate; Sir Charles Price; Harrison, Watson & Co	01/10/1846	

Birming-ham	01/10/1846	04/01/1847	3	56	8	0	Keep & Hinkley		JA	Keep & Hinkley; Williams, Deacon & Co; Dudley & West Bromwich Banking Co	02/01/1847	
London	03/11/1846	06/06/1847	2	63	9	9	Daniels & Payne		JA	Daniels & Payne; Smith, Payne & Co	02/01/1847	
Hull	01/08/1846	04/02/1847	6	224	10	3	Simpson & Whaplate		JA	Simpson & Whaplate; Sir C Price; Harrison & Watson	01/02/1847	
Hull	19/11/1846	22/03/1847	4	481	8	0	Holderness & Chilton		JA	Holderness & Chilton	20/03/1847	Value received in wood
Hull	20/11/1846	23/03/1847	4	213	16	0	Dennis Peacock		JA	Dennis Peacock; Sir Charles Price & Co; Harrison & Watson	20/03/1847	
London	09/03/1847	12/05/1847	2	154	11	1 1	Daniels & Payne		JA	Daniels & Payne; Smith, Payne & Co	10/05/1847	
London	16/03/1847	19/07/1847	4	223	11	3	Daniels & Payne		JA	Daniels & Payne; Smith, Payne & Co	17/07/1847	

Hull	01/06/1847	04/10/1847	4	154	7	6	Richard Wade Sons & Co		JA	Richard Wade Sons & Co; Glyn & Co; Pease & Liddells	02/10/1847	
Birmingham	16/10/1847	19/01/1848	3	85	0	0	Keep & Hinkley		JA	Keep & Hinkley; Bank of England; Birmingham Banking Co	17/01/1848	
Hull	16/09/1847	19/01/1848	4	195	1	6	Tealby & Co		JA	Tealby & Co; Glyn & Co; Pease & Liddlells	17/01/1848	
Hull	16/09/1847	19/01/1848	4	137	9	3	Richard Wade Sons & Co		JA	Richard Wade Sons & Co; Glyn & Co; Pease & Liddells	17/01/1848	
Hull	16/07/1847	19/01/1848	6	115	5	7	Simpson & Whaplate		JA	Simpson & Whaplate; Sir C Price & Co; Harrison, Watson & Co	17/01/1848	
Dudley	07/11/1847	04/02/1848	3	87	10	0	John Hodgetts		JA	John Hodgetts; Jones, Loyd & Co; Birmingham Banking Co	03/02/1848	

London	03/11/1847	03/02/1848	3	276	0	0	Daniels & Payne		JA	Daniels & Payne; Smith, Payne & Co	03/02/1848	
Hull	01/11/1847	04/03/1848	4	465	10	6	Holderness & Chilton		JA	Holderness & Chilton; Glyn & Co; Pease & Liddells	01/03/1848	Value received in wood
Dudley	01/12/1847	04/03/1848	3	104	0	0	Bennitts & Files		JA	Burnitts & Files; Williams, Deacon & Co; Dudley & West Bromwich Banking Co	01/03/1848	
London	01/07/1848	04/09/1848	2	326	16	3	Daniels & Payne		JA&S	Daniels & Payne; Smith, Payne & Co	01/09/1848	
Great Grimsby	20/07/1848	23/11/1848	4	201	9	3	Richard Armitage & Co		JA&S	Smith, Ellison & Co; R Armitage & Co; Smith, Payne & Co	20/11/1848	
Hull	02/09/1850	05/02/1851	5	280	4	5	Richard Wade Sons & Co		JA	Richard Wade Sons & Co; Glyn & Co; Pease & Liddells		Accept'c missing

Hull	01/10/1850	14/03/1851	5	94	8	5	Richard Wade Sons & Co		JA	Richard Wade Sons & Co; Glyn & Co; Pease & Liddells	03/03/1851	
Hull	02/09/1850	05/03/1851	6	277	19	2	Simpson & Whaplate		JA	Simpson & Whaplate; Sir C Price; Harrison & Watson		Accept'c missing

M* Number of months after date payable
*Acceptor: 'JA&S' represents: John Adams & Sons (Flax Spinners) Selby
'JA' represents: John Adams (Timber Merchant and Ironmonger) Selby

Bills of Exchange *issued by* John Adams (Timber Merchant & Ironmonger), Selby Branch, York City & County Banking Co, 1835-1851

Place issue	Date issue	Date due	No. Mths after date pay-able	Amount (£, s, d)			Drawer	Acceptor	Endorsements	Date accept'ce	Other notes
Selby	05/03/1847	08/05/1847	2	50	0	0	John Adams	Matthew Andrews	John Adams; Barnett, Hoares & Co; York City & County Bank (signed: Robert Morrell, Selby)		Accept'ce missing
Selby	05/03/1847	08/06/1847	3	50	0	0	John Adams	Matthew Adams	John Adams		Accept'ce missing
Selby	05/03/1847	08/07/1847	4	76	0	0	John Adams	Matthew Adams	John Adams; York City & County Bank; George Rahn; C L Ringroll		Accept'ce missing

Appendix 4.2 Bill Discounting, York City & County Bank, 1830-1870

Date	Year	Amount (£)	Action*	From	Disc. Rate (%)	Other Information
17-May	1830	5,000	TBI	Overend & Co		
12-Jul	1830	2,000-3,000	AP/F	Manchester & Liverpool District Bank		
12-Jul	1830	2,000	AP/F	Overend, Gurney & Co		
22-Oct	1832	10,000	TBI		2.50	
29-Oct	1832	5,000-6,000	AP/F			With discount
22-Oct	1832	10,000	TBI		3.00	Large bills desired
08-Apr	1833	10,000	TBI		3.00	At 3%, otherwise to be lodged with Overend, Gurney & Co at interest
19-Sep	1836	15,000	AP/F	Bank of Manchester	5.00	
14-Nov	1836	20,000	TBI			
17-Apr	1837	6,000	TBI		5.00	
17-Apr	1837	10,000	TBI		5.00	
29-May	1837	6,000	TBI			With discounts
21-May	1838	5,000				Investment in bills sanctioned from Roger Cunliffe, London
16-Apr	1838			Manchester and Liverpool		Mr Barnes (General Manager) to proceed to Manchester and Liverpool to ascertain the practicability of making investments in bills of exchange
18-Jun	1838	5,000	TBI	Roger Cunliffe	4.00	
18-Jun	1838	5,000	TBI	Southampton Banking Co		
15-Jan	1839	10,000	TBI	Liverpool Union Bank		

04-Mar	1839	5,000	TBI	Colls, Thompson & Harris	4.00	Small bills desired
04-Mar	1839	5,000 or 10,000	TBI	Liverpool Union Bank		Decided to have £5,000 or £10,000 more
01-Jul	1839	5,000	TBI	Southern District Bank	5.00	Plus 0.25% commission
15-Jan	1839	5,000	TBI	Colls, Thompson & Co	4.00	
01-Apr	1850	10,000	TBT	Sanderson & Co	2.25	Provided they allow 2.25%
22-Apr	1850	10,000	TBT	Overend, Gurney & Co	2.25	29 April 1850: Overend Gurney & Co proposed 1.75% - offer declined
22-Apr	1850	5,000	TBT	Sanderson & Co	2.25	If at 2.25%
08-Jul	1850	5,000	TBT	Sanderson & Co	2.25	Not less than 2.25% to be accepted.
29-Jul	1850	5,000	TPT	Sanderson & Co		Bills to be procured from Sanderson & Co, to be ordered from the Leeds Banking Co
18-Feb	1851	10,000	TPT	Sanderson, Sanderson & Co	3.00	Small bills to be taken from Sanderson, Sanderson & Co (Bill Brokers) – the amount to be taken from the Leeds Banking Co
10-Jun	1851	10,000	TBT	Liverpool Union Bank	3.25	
10-Jun	1851	5,000	TBT	Sanderson & Co	3.00	
30-Sep	1851	10,000	TBT	Northumberland & Durham District Bank	4.00	
30-Sep	1851	10,000	TBT	Liverpool Union Bank	3.25	
23-Mar	1852	10,000	TBT	Liverpool Union Bank		
23-Mar	1852	10,000	TBT	Northumberland & Durham District Bank		
23-Mar	1852	10,000	TBT	Sanderson & Co		
21-Jun	1852	20,000	TBT	Liverpool Union Bank	1.63	
21-Jun	1852	10,000	TBT	Sanderson & Co	1.75	

21-Jun	1852	20,000	TBT	Northumberland & Durham District Bank	3.00	
02-Aug	1852	5,000	TBT	Sanderson & Co	1.75	
23-Aug	1852	5,000	TBT	Sanderson & Co	1.75	
23-Aug	1852	10,000	TBT	Liverpool Union Bank	1.63	
04-Oct	1852	10,000	TBT	Liverpool Union Bank	1.63	
25-Oct	1852	10,000	TBT	Sanderson & Co	1.75	
25-Oct	1852	10,000	TBT	Liverpool Union Bank	1.63	
25-Oct	1852	10,000	TBT	Northumberland & Durham District Bank	2.50	
21-Nov	1853	5,000	TBT	Sanderson & Co		
19-Dec	1853	10,000	TBT	Sanderson & Co	4.75	
17-Jan	1853	10,000	TBT	Sanderson & Co	2.25	
17-Jan	1853	10,000	TBT	Liverpool Union Bank		
07-Feb	1853	10,000	TBT	Liverpool Union Bank		
07-Feb	1853	10,000	TBT	Sanderson & Co		
21-Feb	1853	10,000	TBT	Sanderson & Co		
21-Feb	1853	10,000	TBT	Liverpool Union Bank		
18-Apr	1853	20,000	TBT	Liverpool Union Bank	3.00	
25-Apr	1853	20,000	TBT	Liverpool Union Bank		
02-May	1853	10,000	TBT	Sanderson & Co		
09-May	1853	20,000	TBT	Liverpool Union Bank		
23-May	1853	20,000	TBT	Liverpool Union Bank		
23-May	1853	10,000	TBT	Sanderson & Co		
30-May	1853	10,000	TBT	Northumberland & Durham District Bank	3.25	
06-Jun	1853	10,000	TBT	Liverpool Union Bank		

13-Jun	1853	10,000	TBT	Northumberland & Durham District Bank		
20-Jun	1853	20,000	TBT	Liverpool Union Bank		
27-Jun	1853	10,000	TBT	Liverpool Union Bank		
04-Jul	1853	10,000	TBT	Liverpool Union Bank		
11-Jul	1853	20,000	TBT	Liverpool Union Bank		
25-Jul	1853	15,000	TBT	Liverpool Union Bank		
01-Aug	1853	10,000	TBT	Liverpool Union Bank		
01-Aug	1853	10,000	TBT	Sanderson & Co	3.00	
06-Aug	1853	20,000	TBT	Liverpool Union Bank		
15-Aug	1853	10,000	TBT	Liverpool Union Bank		In addition to the £10,000 ordered Saturday (13 August 1853)
15-Aug	1853	10,000	TBT	Sanderson & Co		
29-Aug	1853	10,000	HBT	Liverpool Union Bank	3.50	
29-Aug	1853	10,000	TBT	Liverpool Union Bank		Which is £10,000 more taken
12-Sep	1853	10,000	RCD	Liverpool Union Bank	3.75	
12-Sep	1853	10,000	RCD			Plus £10,000 more arrived
19-Sep	1853	20,000	TBT	Liverpool Union Bank		
03-Oct	1853	10,000	TBT	Liverpool Union Bank		Which is £10,000 more taken from Liverpool
03-Oct	1853	10,000	TBT	Sanderson & Co	4.00 or 4.75	
10-Oct	1853	10,000	TBT	Liverpool Union Bank		
17-Oct	1853	10,000	RCD	Liverpool Union Bank	5.00	
24-Oct	1853	10,000	HBT	Sanderson & Co	4.50	
31-Oct	1853	10,000	HBT	Liverpool Union Bank	5.00	
07-Nov	1853	15,000	HBT	Liverpool Union Bank	5.00	
14-Nov	1853	5,000	HBT	Liverpool Union Bank	5.00	

21-Nov	1853	10,000	TBT	Liverpool Union Bank		
28-Nov	1853	5,000	RCD	Sanderson & Co	4.50	Bills ordered 21 November 1853 received
28-Nov	1853	10,000	RCD	Liverpool Union Bank	5.00	Bills ordered 21 November 1853 received
28-Nov	1853	10,000	TBT	Liverpool Union Bank		
05-Dec	1853	20,000	TBT	Liverpool Union Bank		
27-Dec	1853	10,000	TBT	Liverpool Union Bank		
02-Jan	1854	10,000	TBT	Liverpool Union Bank		
11-Jan	1854	20,000	TBT	Liverpool Union Bank		
16-Jan	1854	10,000	TBT	Liverpool Union Bank		
23-Jan	1854	20,000	TBT	Liverpool Union Bank		
06-Feb	1854	10,000	TBT	Liverpool Union Bank		
13-Feb	1854	10,000	TBT	Sanderson & Co	4.5%	
27-Feb	1854	10,000	TBT	Cunliffe, Brooks & Co	4.50	
27-Feb	1854	10,000	TBT	Liverpool Union Bank		
13-Mar	1854	10,000	HBT	Liverpool Union Bank		
13-Mar	1854	10,000	TBT	Liverpool Union Bank		
20-Mar	1854	20,000	TBT	Liverpool Union Bank		
27-Mar	1854	10,000	TBT	Liverpool Union Bank		
03-Apr	1854	10,000	TBT	Liverpool Union Bank		
10-Apr	1854	20,000	TBT	Liverpool Union Bank		
17-Apr	1854	10,000	TBT	Liverpool Union Bank		
17-Apr	1854	5,000	TBT	Sanderson & Co		
17-Apr	1854	5,000	TBT	Cunliffe, Brooks & Co		
24-Apr	1854	10,000	TBT	Liverpool Union Bank		
01-May	1854	10,000	TBT	Liverpool Union Bank		
08-May	1854	10,000	TBT	Liverpool Union Bank		
15-May	1854	20,000	TBT	Liverpool Union Bank		

22-May	1854	10,000	TBT	Liverpool Union Bank		
05-Jun	1854	10,000	RCD	Liverpool Union Bank	5.50	
05-Jun	1854	10,000	TBT	Sanderson & Co	5.50	
05-Jun	1854	10,000	TBT	Liverpool Union Bank		
12-Jun	1854	20,000	TBT	Liverpool Union Bank		
19-Jun	1854	20,000	TBT	Liverpool Union Bank		
03-Jul	1854	10,000	RCD	Liverpool Union Bank		
03-Jul	1854	10,000	TBT	Liverpool Union Bank		Which is £10,000 more
10-Jul	1854	10,000	TBT	Liverpool Union Bank		
10-Jul	1854	5,000	TBT	Sanderson & Co		
10-Jul	1854	5,000	TBT	Cunliffe, Brooks & Co		
17-Jul	1854	10,000	TBT	Liverpool Union Bank		
24-Jul	1854	10,000	TBT	Liverpool Union Bank		
31-Jul	1854	10,000	TBT	Liverpool Union Bank		
07-Aug	1854	10,000	TBT	Liverpool Union Bank		
14-Aug	1854	10,000	TBT	Liverpool Union Bank		
21-Aug	1854	10,000	TBT	Liverpool Union Bank		
28-Aug	1854	10,000	TBT	Liverpool Union Bank		
28-Aug	1854	5,000	TBT	Cunliffe, Brooks & Co	4.50	
04-Sep	1854	10,000	TBT	Liverpool Union Bank		
04-Sep	1854	5,000	TBT	Sanderson & Co		
11-Sep	1854	10,000	TBT	Liverpool Union Bank		
18-Sep	1854	10,000	TBT	Liverpool Union Bank		
23-Sep	1854	2,000	HBT	Liverpool Union Bank	4.75	
02-Oct	1854	10,000	TBT	Liverpool Union Bank		
16-Oct	1854	5,000	TBT	Sanderson & Co		
16-Oct	1854	5,000	TBT	Cunliffe, Brooks & Co		

23-Oct	1854	10,000	TBT	Liverpool Union Bank		
30-Oct	1854	10,000	TBT	Liverpool Union Bank		
06-Nov	1854	5,000	TBT	Sanderson & Co		
06-Nov	1854	5,000	TBT	Cunliffe, Brooks & Co		
06-Nov	1854	10,000	TBT	Northumberland & Durham District Bank	4.75	
13-Nov	1854	10,000	TBT	Northumberland & Durham District Bank	4.75	Not exceeding 4 months to run
13-Nov	1854	10,000	TBT	Liverpool Union Bank		
20-Nov	1854	10,000	TBT	Liverpool Union Bank		
27-Nov	1854	10,000	TBT	Northumberland & Durham District Bank		
27-Nov	1854	10,000	TBT	Liverpool Union Bank		
04-Dec	1854	10,000	TBT	Liverpool Union Bank		
11-Dec	1854	10,000	TBT	Liverpool Union Bank		
18-Dec	1854	10,000	TBT	Northumberland & Durham District Bank		
26-Dec	1854	10,000	TBT	Liverpool Union Bank		
01-Jan	1855	10,000	TBT	Liverpool Union Bank		
08-Jan	1855	10,000	TBT	Liverpool Union Bank		
08-Jan	1855	10,000	TBT	Northumberland & Durham District Bank		
15-Jan	1855	10,000	TBT	Liverpool Union Bank		
22-Jan	1855	10,000	TBT	Liverpool Union Bank		
29-Jan	1855	10,000	TBT	Sanderson & Co		
05-Feb	1855	10,000	TBT	Northumberland & Durham District Bank		

12-Feb	1855	10,000	TBT	Liverpool Union Bank		
19-Feb	1855	20,000	TBT	Liverpool Union Bank		
26-Feb	1855	20,000	TBT	Liverpool Union Bank		
05-Mar	1855	20,000	TBT	Liverpool Union Bank		
12-Mar	1855	10,000	TBT	Northumberland & Durham District Bank		At previous rate
19-Mar	1855	10,000	TBT	Liverpool Union Bank		
19-Mar	1855	10,000	TBT	Sanderson & Co		
26-Mar	1855	5,000	TBT	Sanderson & Co		
26-Mar	1855	10,000	TBT	Northumberland & Durham District Bank		
02-Apr	1855	10,000	TBT	Liverpool Union Bank		
02-Apr	1855	10,000	TBT	Northumberland & Durham District Bank		
09-Apr	1855	10,000	TBT	Liverpool Union Bank		
16-Apr	1855	10,000	TBT	Liverpool Union Bank		
16-Apr	1855	10,000	TBT	Northumberland & Durham District Bank		
23-Apr	1855	10,000	TBT	Liverpool Union Bank		
23-Apr	1855	10,000	TBT	Northumberland & Durham District Bank		
30-Apr	1855	10,000	TBT	Northumberland & Durham District Bank		
14-May	1855	10,000	TBT	Liverpool Union Bank		
14-May	1855	10,000	TBT	Northumberland & Durham District Bank		
21-May	1855	10,000	TBT	Liverpool Union Bank		

21-May	1855	10,000	TBT	Northumberland & Durham District Bank		
28-May	1855	10,000	TBT	Liverpool Union Bank		
28-May	1855	10,000	TBT	Northumberland & Durham District Bank		
04-Jun	1855	10,000	TBT	Liverpool Union Bank		
04-Jun	1855	10,000	TBT	Northumberland & Durham District Bank		
11-Jun	1855	10,000	TBT	Liverpool Union Bank		
26-Jun	1855	5,000	TBT	Sanderson & Co		
26-Jun	1855	5,000	TBT	Cunliffe, Brooks & Co	3.00	Not less than 3% to be accepted.
26-Jun	1855	10,000	TBT	Liverpool Union Bank		
02-Jul	1855	10,000	TBT	Liverpool Union Bank		
02-Jul	1855	10,000	TBT	Northumberland & Durham District Bank		
09-Jul	1855	10,000	TBT	Liverpool Union Bank		
16-Jul	1855	10,000	TBT	Liverpool Union Bank		
16-Jul	1855	10,000	TBT	Northumberland & Durham District Bank		
16-Jul	1855	5,000	TBT	Sanderson & Co		
16-Jul	1855	5,000	TBT	Cunliffe, Brooks & Co		
30-Jul	1855	20,000	RCD	Liverpool Union Bank	3.00	
13-Aug	1855	10,000	TBT	Liverpool Union Bank		
20-Aug	1855	20,000	TBT	Liverpool Union Bank		
10-Sep	1855	10,000	HBT	Liverpool Union Bank		
10-Sep	1855	10,000	TBT	Liverpool Union Bank		
10-Sep	1855	10,000	TBT	Northumberland & Durham District		

				Bank		
17-Sep	1855	10,000	TBT	Liverpool Union Bank		
24-Sep	1855	10,000	TBT	Liverpool Union Bank		
24-Sep	1855	5,000	TBT	Sanderson & Co		
01-Oct	1855	10,000	TBT	Liverpool Union Bank		
08-Oct	1855	10,000	TBT	Liverpool Union Bank		
08-Oct	1855	10,000	TBT	Liverpool Union Bank / Northumberland & Durham District Bank		
15-Oct	1855	20,000	TBT	Liverpool Union Bank		
22-Oct	1855	10,000	TBT	Sanderson & Co		
05-Nov	1855	10,000	TBT	Northumberland & Durham District Bank / Liverpool Union Bank	5.50	
12-Nov	1855	10,000	TBT	Liverpool Union Bank	6.00	
12-Nov	1855	20,000	TBT	Liverpool Union Bank		Which is £20,000 more
19-Nov	1855	10,000	RCD	Liverpool Union Bank		In addition to the £20,000 ordered at the last board meeting
19-Nov	1855	5,000	TBT	Sanderson & Co		
19-Nov	1855	5,000	TBT	Cunliffe, Brooks & Co		
31-Dec	1855	20,000	TBT	Liverpool Union Bank		
07-Jan	1856	20,000	TBT	Liverpool Union Bank		
14-Jan	1856	20,000	RCD	Liverpool Union Bank		In addition to the £20,000 resolved to be taken last board day
14-Jan	1856	10,000	TBT	Liverpool Union Bank		Which is £10,000 more
21-Jan	1856	10,000	RCD	Liverpool Union Bank		In addition to the bills ordered 14 January 1856
28-Jan	1856	20,000	TBT	Leeds Banking Co		
11-Feb	1856	5,000	TBT	Sanderson & Co		
11-Feb	1856	5,000	TBT	Cunliffe, Brooks & Co		

10-Mar	1856	30,000	TBT	Liverpool Union Bank		
17-Mar	1856	20,000	RCD	Leeds Banking Co	6.00	
17-Mar	1856	10,000	TBT	Sanderson & Co	6.00	
24-Mar	1856	10,000	TBT	Northumberland & Durham District Bank	6.00	Not less than 6% to be accepted.
31-Mar	1856	10,000	TBT	Northumberland & Durham District Bank	6.50	In addition to the £10,000 ordered last week (all at 6.5%)
31-Mar	1856	50,000	RCD	Sanderson & Co	6.00	
07-Apr	1856	20,000	RCD	Liverpool Union Bank	6.00	
07-Apr	1856	5,000	RCD	Sanderson & Co	6.00	
21-Apr	1856	10,000	TBT	Liverpool Union Bank		
21-Apr	1856	10,000	TBT	Northumberland & Durham District Bank		Bills of long date desired
28-Apr	1856	10,000	TBT	Liverpool Union Bank		
28-Apr	1856	10,000	TBT	Northumberland & Durham District Bank		
06-May	1856	10,000	TBT	Northumberland & Durham District Bank		
19-May	1856	10,000	TBT	Northumberland & Durham District Bank		
26-May	1856	20,000	TBT	Northumberland & Durham District Bank	6.00	
26-May	1856	10,000	TBT	Liverpool Union Bank	5.50	
30-Jun	1856	30,000	TBT	Liverpool Union Bank		
14-Jul	1856	20,000	TBT			From most advantageous place
21-Jul	1856	20,000	TBT	Northumberland & Durham District Bank	4.00	

11-Aug	1856	20,000	RCD	Liverpool Union Bank	4.25	
18-Aug	1856	30,000	RCD	Liverpool Union Bank	4.50	
08-Sep	1856	10,000	TBT	Liverpool Union Bank		
06-Oct	1856	10,000	HBT	Liverpool Union Bank	4.75	
06-Oct	1856	10,000	TBT	Liverpool Union Bank		
13-Oct	1856	5,000	TBT	Sanderson & Co		
13-Oct	1856	5,000	TBT	Cunliffe & Co		
20-Oct	1856	20,000	RCD	Liverpool Union Bank	6.00	
03-Nov	1856	10,000	TBT	Leeds Banking Co		
03-Nov	1856	10,000	TBT	Liverpool Union Bank		
10-Nov	1856	10,000	TBT	Leeds Banking Co	6.00	In addition to the £10,000 taken last board at 5.75%
01-Dec	1856	10,000	RCD	Liverpool Union Bank	6.50	
01-Dec	1856	10,000	TBT	Liverpool Union Bank		
26-Jan	1857	20,000	TBT	Liverpool Union Bank	5.75	
02-Feb	1857	10,000	TBT	Liverpool Union Bank		
09-Feb	1857	10,000	TBT	Liverpool Union Bank		
09-Feb	1857	5,000	TBT	Sanderson & Co		
09-Feb	1857	5,000	TBT	Cunliffe & Co		
16-Feb	1857	10,000	TBT	Liverpool Union Bank		
16-Feb	1857	5,000	TBT	Sanderson & Co		
02-Mar	1857	10,000	TBT	Liverpool Union Bank		
09-Mar	1857	10,000	TBT	Sanderson & Co	5.75	To be taken tomorrow
20-Apr	1857	10,000	TBT	Liverpool Union Bank	6.25	
11-May	1857	5,000	HBT	Sanderson & Co	6.25	
11-May	1857	10,000	TBT	Liverpool Union Bank	6.25	
18-May	1857	10,000	TBT	Liverpool Union Bank	6.25	
18-May	1857	10,000	TBT	Northumberland & Durham District		

				Bank		
22-Jun	1857	20,000	HBT	Liverpool Union Bank	6.375	
06-Jul	1857	10,000	RCD	Liverpool Union Bank	5.75	
06-Jul	1857	20,000	RCD	Northumberland & Durham District Bank	6.00	
17-Aug	1857	15,000	HBT	Liverpool Union Bank	5.50	
31-Aug	1857	30,000	RCD	Liverpool Union Bank	5.50	
01-Mar	1858	10,000	TBT	Overend, Gurney & Co		
01-Mar	1858	10,000	TBT	Liverpool Union Bank		
29-Mar	1858	20,000	TBT	Liverpool Union Bank		
29-Mar	1858	10,000	TBT	Overend, Gurney & Co		
19-Apr	1858	20,000	HBT	Liverpool Union Bank	2.25	
26-Apr	1858	15,000 or 20,000	TBT	Liverpool Union Bank		
24-May	1858	20,000	RCD	Liverpool Union Bank		
24-May	1858	30,000	TBT	Liverpool Union Bank		
31-May	1858	20,000	TBT	Leeds Banking Co	2.375	
28-Jun	1858	20,000	TBT	Liverpool Union Bank	2.75	
12-Jul	1858	10,000	TBT			
26-Jul	1858	20,000	TBT	Liverpool Union Bank	2.25	
27-Sep	1858	20,000	TBT	Liverpool Union Bank		
04-Oct	1858	20,000	TBT	Liverpool Union Bank		
25-Oct	1858	20,000	TBT	Liverpool Union Bank		
27-Dec	1858	10,000	HBT	Overend, Gurney & Co		
27-Dec	1858	10,000	HBT	Overend, Gurney & Co		
27-Dec	1858	10,000	HBT	Overend, Gurney & Co		
27-Dec	1858	15,000	HBT	Cunliffe & Co		

27-Dec	1858	1,400	HBT	Mr Barff		
07-Feb	1859	20,000	TBT	Cunliffe & Co		
04-Apr	1859	20,000	RCD	Leeds Banking Co	2.75	
23-May	1859	10,000 or 20,000	TBT	Liverpool Union Bank		
27-Jun	1859	20,000	RCD	Liverpool Union Bank	2.375	
08-Aug	1859	20,000	RCD	Liverpool Union Bank	2.375	
15-Aug	1859	20,000	TBT	Liverpool Union Bank	2.375	Not less than 2.375% to be accepted
22-Aug	1859	20,000	TBT	Liverpool Union Bank		Which is £20,000 more
03-Oct	1859	20,000 or 30,000	TBT	Liverpool Union Bank / Leeds Banking Co		
17-Oct	1859	20,000 or 30,000	TBT			From 4-6 months
31-Oct	1859	20,000 or 50,000	TBT	London Westminster Bank		Mr Meek (Director) while in London to try and buy £20,000-£50,000 bills from 5-6 months at the London & Westminster Bank if 0.25% extra can be obtained
07-Nov	1859	20,000	RCD	Overend & Co	3.00-3.50	
07-Nov	1859	10,000	RCD	Cunliffe & Co	2.25	
07-Nov	1859	30,000	RCD	Leeds Banking Co	3.00	
14-Nov	1859	15,000 or 20,000	TBT			To be taken by Mr Meek while in London
21-Nov	1859	10,000	HBT	Overend & Co	3.00	
28-Nov	1859	20,000	RCD	Leeds Banking Co	3.25	
19-Dec	1859	20,000	TBT	Leeds or elsewhere		To be taken of Leeds or anywhere

12-Mar	1860	10,000	TBT	Liverpool Union Bank	3.50	
19-Mar	1860	20,000	TBT	Leeds Banking Co	4.00	
26-Mar	1860	20,000	RCD	Liverpool Union Bank	3.75	
26-Mar	1860	20,000	RCD	Overend & Co	4.00	
02-Apr	1860	10,000	HBT	Cunliffe & Co	4.25	
02-Apr	1860	10,000	TBT	Liverpool Union Bank	4.50	
09-Apr	1860	20,000	TBT	Liverpool Union Bank	4.50	
09-Apr	1860	10,000	TBT	Liverpool Union Bank	4.50	10 April 1860, Mr Lister (Manager at Liverpool) allowed 5% on bills of £10,000
10-Apr	1860	20,000	TBT	Liverpool Union Bank		
10-Apr	1860	10,000	TBT	Cunliffe & Co		
23-Apr	1860	10,000	TBT	Cunliffe & Co	4.25	
30-Apr	1860	20,000	HBT	Overend & Co	4.25	
30-Apr	1860	10,000	HBT	Overend & Co		
21-May	1860	30,000	RCD	Overend & Co	4.00	At 2 and 3 months
21-May	1860	20,000	TBT	Liverpool Union Bank	4.00	
28-May	1860	10,000	RCD	Liverpool Union Bank	3.75	
25-Jun	1860	20,000	HBT	Liverpool Union Bank	3.875	
25-Jun	1860	20,000	TBT	Leeds Banking Co	4.00	
02-Jul	1860	20,000	HBT	Liverpool Union Bank	4.00	
09-Jul	1860	20,000	TBT	Leeds Banking Co	4.00	
09-Jul	1860	20,000	TBT	Liverpool Union Bank		
16-Jul	1860	20,000	RCD	Leeds Banking Co	4.50	4-6 months to run
23-Jul	1860	20,000	TBT	Overend, Gurney & Co		
23-Jul	1860	20,000	TBT	London Westminster Bank		£20,000 to be taken of Barnett, Hoares & Co and paid into London & Westminster

						Bank
06-Aug	1860	20,000	TBT	Liverpool Union Bank		
06-Aug	1860	20,000	TBT	Leeds Banking Co		
03-Sep	1860	20,000 or 30,000	TBT	Liverpool Union Bank		
10-Sep	1860	20,000	TBT	Leeds Banking Co		
01-Oct	1860	20,000	TBT	Liverpool Union Bank		
15-Oct	1860	20,000	TBT	Liverpool Union Bank		
29-Oct	1860	20,000 or 30,000	TBT			
19-Nov	1860	20,000	RCD	Liverpool Union Bank	5.00	
26-Nov	1860	20,000	RCD	Liverpool Union Bank	5.00	
26-Nov	1860	10,000	RCD	Cunliffe & Co	4.75	
11-Feb	1861	20,000	TBT	Liverpool Union Bank	6.75	
18-Feb	1861	20,000	HBT	Leeds Banking Co	7.50	From 4-6 months
11-Mar	1861	20,000	RCD	Liverpool Union Bank	7.50	
25-Mar	1861	10,000	TBT	Liverpool Union Bank	6.50	
25-Mar	1861	10,000	TBT	Leeds Banking Co	7.50	
15-Apr	1861	20,000	TBT	Liverpool Union Bank	4.25	
06-May	1861	20,000	TBT	Liverpool Union Bank	4.50	
03-Jun	1861	20,000	TBT	Liverpool Union Bank	5.50	2 months
05-Aug	1861	20,000	TBT	Overend, Gurney & Co		
05-Aug	1861	10,000	TBT	Cunliffe & Co		
12-Aug	1861	20,000	RCD	Overend, Gurney & Co	4.25	At 3 months
12-Aug	1861	10,000	RCD	Overend, Gurney & Co	4.25	At 6 months
12-Aug	1861	20,000	RCD	Liverpool Union Bank	4.25	At 3 months
30-Sep	1861	20,000	RCD	Cunliffe & Co	3.00	

30-Sep	1861	20,000	RCD	Liverpool Union Bank	3.00	
07-Oct	1861	30,000	HBT	Overend & Co	3.00	4 months to run
07-Oct	1861	6,000	HBT	Brightwen & Gillett	3.25	
21-Oct	1861	20,000	HBT	Brightwen & Gillett	3.25	
21-Oct	1861	20,000	HBT	Cunliffe & Co	3.25	
28-Oct	1861	8,500	HBT	Brightwen & Co	3.25	
28-Apr	1862	10,000	HBT	Brightwen & Gillett	2.125	
10-Mar	1862	10,000	RCD	Brightwen & Gillett	2.25	
17-Mar	1862	5,000	RCD	Brightwen & Gillett	2.25	
05-May	1862	10,000	TBT	Liverpool Union Bank	1.75	
26-May	1862	20,000	TBT			Not exceeding 2 months
02-Jun	1862	10,000	RCD	Liverpool Union Bank	2.75	2 months to run
09-Jun	1862	20,000	TBT	Liverpool Union Bank	2.75	At 2 months
08-Sep	1862	10,000	RCD	Liverpool Union Bank	1.50	2 months to run
08-Sep	1862	7,000	RCD	Brightwen & Gillett	2.25	5 months to run
06-Oct	1862	20,000	RCD	Overend, Gurney & Co	2.00	
13-Oct	1862	50,000	RCD	Leeds Banking Co	3.00	
13-Oct	1862	20,000	RCD	Overend, Gurney & Co	2.00	
13-Oct	1862	20,000	RCD	Liverpool Union Bank	1.50	
13-Oct	1862	5,000	RCD	East of England Bank, Norwich	2.50	
20-Oct	1862	35,000	RCD	Brightwen & Gillett	2.25	
20-Oct	1862	20,000	RCD	Liverpool Union Bank	1.75	
20-Oct	1862	10,000	RCD	Cunliffe & Co	1.75	
20-Oct	1862	20,000	RCD	Leeds Banking Co	3.00	
10-Nov	1862	15,000	RCD	Leeds Banking Co	3.50	
24-Nov	1862	3,000	RCD	East of England Bank, Norwich	3.50	
06-Apr	1863	30,000-40,000	TBT	Liverpool Union Bank / Leeds		Enquiries to Leeds and Liverpool to see what they will

				Banking Co		allow – power to take £30,000-£40,000
20-Apr	1863	20,000	RCD	Liverpool Union Bank	3.25	7 weeks to run
27-Apr	1863	20,000	RCD	Liverpool Union Bank	3.00	6 weeks
27-Apr	1863	10,000	RCD	Cunliffe & Co	3.00	3 months
27-Apr	1863	20,000	RCD		3.50	4 months
27-Apr	1863	10,000	TBT		4.00	6 months
04-May	1863	10,000	TBT	Leeds Banking Co	3.50	
04-May	1863	10,000	TBT	Cunliffe & Co	2.75	3 months
04-May	1863	10,000	TBT	Overend & Gurney	2.75	4 months
06-Jul	1863	20,000	HBT	Leeds Banking Co	4.50	4 months
03-Aug	1863	10,000	RCD	London Joint Discount Co	3.50	1-2 months to run
31-Aug	1863	20,000	RCD	Leeds Banking Co	4.00	4-5 months to run
07-Sep	1863	10,000	RCD	Overend Gurney	3.75	
07-Sep	1863	10,000	RCD	Joint Stock Discount Co	3.75	
07-Sep	1863	10,000	RCD	Liverpool Union Bank	3.50	
07-Sep	1863	20,000	RCD	Overend Gurney		2-4 months providing satisfactory rate
14-Sep	1863	20,000	RCD	Overend Gurney	3.75	
26-Sep	1863	20,000	RCD	Leeds Banking Co	4.00	
26-Sep	1863	10,000	TBT		3.75	
26-Sep	1863	20,000-30,000	TBT			
02-Nov	1863	15,000	RCD	Overend Gurney	3.75	4 months
02-Nov	1863	11,000	RCD	Discount Co	3.625	2 months
02-Nov	1863	10,000	RCD	Brightwen & Co	3.625	10 months
02-Nov	1863	10,000	RCD	Liverpool Union Bank	3.50	2 months
16-Nov	1863	10,000	TBT	Leeds Banking Co	6.00	Not less than 6% to be accepted.
23-Nov	1863	10,000	RCD		6.00	

07-Dec	1863	10,000	TBT	Joint Stock Discount Co	7.00	
14-Dec	1863	10,000	RCD	Joint Stock Discount Co	7.50	10 months
08-Apr	1864	20,000	TBT		6.50	
06-Jun	1864	10,000	RCD	Liverpool Union Bank	6.00	
13-Jun	1864	9,600	RCD		7.00	Discount for Mr Haigh of Scarborough
04-Jul	1864	10,000	TBT	Liverpool Union Bank	5.75	2 months
04-Jul	1864	10,000	TBT	Leeds Banking Co		On satisfactory terms
11-Jul	1864	20,000	TBT			
22-Aug	1864	10,000	TBT	Liverpool Union Bank	7.50	2 months
29-Aug	1864	10,000	RCD	Liverpool Union Bank	7.25	2-3 months
05-Sep	1864	10,000	RCD	Alenaudes, Cunliffe & Co	7.00	
19-Sep	1864	5,000	RCD	Alexander & Co		
19-Sep	1864	5,000	RCD	Consolidated Discount Co	8.25	
27-Mar	1865	10,000	TBT	Liverpool Union Bank		
03-Apr	1865	10,000	RCD	Alexander & Co	3.50	
03-Apr	1865	10,000	RCD	Brightwen & Co	3.625	
01-May	1865	10,000	RCD	Alexander & Co	3.50	
01-May	1865	10,000	RCD	Brightwen, Gillett & Co	3.50	
08-May	1865	14,000	RCD	Brightwen & Co	3.75	
08-May	1865	4,000	RCD	Brightwen & Co	4.125	
08-May	1865	10,000	TBT	Brightwen & Co		Which is £10,000 more
15-May	1865	10,000	RCD	Brightwen & Co	4.125	
05-Jun	1865	10,000	TBT	Cunliffe & Co	3.00	
26-Jun	1865	10,000	RCD	Brightwen & Co	2.625	
26-Jun	1865	10,000	RCD	Liverpool Union Bank	2.50	
26-Jun	1865	10,000	RCD	Cunliffe & Co	2.75	
24-Jul	1865	15,000	RCD	Brightwen, Gillett & Co	2.625	

23-Oct	1865	10,000	TBT	Liverpool Union Bank		
23-Oct	1865	11,000	TBT	Brightwen & Co		
23-Oct	1865	20,000	TBT			Which is £20,000 more
06-Nov	1865	10,000	RCD	Overend, Gurney & Co	6.50	
06-Nov	1865	10,000	RCD	Alexander & Co	6.50	
06-Nov	1865	20,000	RCD	Brightwen & Co	6.50	
04-Dec	1865	10,000	RCD	Brightwen & Co	5.50	
29-Jan	1866	10,000	TBT	Brightwen & Co	7.00	Not to exceed 3 months
12-Mar	1866	10,000	TBT	Brightwen, Gillett & Co	6.25	2 and 3 months
02-Jul	1866	20,000	TBT	Liverpool Union Bank	9.00	6 weeks
02-Jul	1866	20,000	TBT	Alenaudes, Cunliffe & Co	8.00	
09-Jul	1866	20,000	RCD	Liverpool Union Bank	9.00	
09-Jul	1866	20,000	RCD	Alenaudes, Cunliffe & Co	8.00	
10-Sep	1866	10,000	TBT	Liverpool Union Bank		
10-Sep	1866	10,000	TBT	Alenaudes, Cunliffe & Co		
17-Sep	1866	10,000	TBT	Liverpool Union Bank	4.50	
24-Sep	1866	10,000 or 20,000	TBT			
01-Oct	1866	10,000	TBT	Cunliffe & Co	3.75	
01-Oct	1866	10,000	TBT	Liverpool Union Bank	4.00	
22-Oct	1866	10,000	TBT			
29-Oct	1866	11,000	TBT	Brightwen, Gillett & Co	3.50	
29-Oct	1866	10,000	TBT	Liverpool Union Bank	4.00	
27-May	1867	10,000	TBT	Liverpool Union Bank	2.75	2 months
27-May	1867	10,000	TBT	Brightwen & Gillett	2.50	
03-Jun	1867	10,000	RCD	Liverpool Union Bank	2.75	
03-Jun	1867	12,000	RCD	Brightwen & Gillett	2.50	

24-Jun	1867	20,000-30,000	TBT		2.00	
01-Jul	1867	17,000	RCD	Brightwen & Co	1.875	
01-Jul	1867	15,000	RCD	Liverpool Union Bank	2.00	
01-Jul	1867	10,000	RCD	Alenaudes, Cunliffe & Co	1.75	
08-Jul	1867	20,000	RCD	Liverpool Union Bank	2.25	
08-Jul	1867	20,000	TBT			Which is £20,000 more
15-Jul	1867	20,000	TBT	Liverpool Union Bank	2.125	
15-Jul	1867	20,000	TBT	Liverpool Union Bank	2.00	
12-Aug	1867	10,000	RCD	Alexander & Co	1.25	2 months
12-Aug	1867	15,000	RCD	Brightwen & Co	1.375	2-3 months
23-Sep	1867	10,000	TBT	Liverpool Union Bank	1.25	
23-Sep	1867	10,000	TBT	Brightwen & Co	1.125	
07-Oct	1867	10,000	RCD	Liverpool Union Bank	4.25	
18-Nov	1867	7,000	RCD	Anderson & Co	1.25	
18-Nov	1867	10,000	TBT	Alexander & Co		
18-Nov	1867	10,000	TBT	Liverpool Union Bank	1.25	
09-Dec	1867	10,000 or 20,000	TBT			
09-Dec	1867	9,500	RCD	Gillett & Co	1.375	
09-Dec	1867	13,500	RCD	Brightwen & Co	1.375	
16-Dec	1867	10,000	RCD	Gillett & Co	1 5/8	
16-Dec	1867	14,000	RCD	Brightwen & Co	1.50	
13-Jan	1868	10,000	RCD	Liverpool Union Bank	1.50	
20-Jan	1868	10,000 or 20,000	TBT	Liverpool Union Bank	1.50	
03-Feb	1868	12,000	RCD	Brightwen & Co	1.00	
03-Feb	1868	12,000	RCD	Gillett & Co	1 .125	

07-Apr	1868	10,000	TBT	Brightwen & Co		
07-Apr	1868	10,000	TBT	Anderson & Co	1.75	
07-Apr	1868	10,000	TBT	Liverpool Union Bank	2.00	
05-Jun	1868	10,000	RCD	Liverpool Union Bank	1.50	
05-Jun	1868	10,000	RCD	Brightwen & Co	1.25	
05-Jun	1868	10,000	RCD	Anderson & Co	1.25	
05-Jun	1868	10,000	RCD	Gillett Bros	1.25	
29-Jun	1868	21,000	RCD	Brightwen & Co	1.25	
29-Jun	1868	16,000	RCD	Gillett & Co	1.25	
29-Jun	1868	20,000	RCD	Liverpool Union Bank	1.25	
29-Jun	1868	10,000	RCD	Anderson & Co	1.25	
20-Jul	1868	10,000	RCD	Brightwen & Co	1.25	
27-Jul	1868	21,000	RCD	Brightwen & Co	1.25	
27-Jul	1868	16,000	RCD	Gillett Bros	1.25	
27-Jul	1868	20,000	RCD	Liverpool Union Bank	1.25	
27-Jul	1868	10,000	RCD	Anderson & Co	1.375	
03-Aug	1868	20,000	RCD	Brightwen & Co	1.25	
03-Aug	1868	20,000	RCD	Anderson & Co	1.25	
03-Aug	1868	10,000	RCD	Gilletts	1.25	
03-Aug	1868	10,000	RCD	Liverpool Union Bank	1.25	
10-Aug	1868	10,000	RCD	Brightwen & Co	1.25	
17-Aug	1868	10,000	RCD	Gilletts	1.75	
31-Aug	1868	20,000	RCD	Brightwen & Co	1.50	
14-Sep	1868	10,000	TBT	Brightwen & Co		
14-Sep	1868	10,000	TBT	Gilletts	1.375	
21-Sep	1868	10,000	RCD	Brightwen & Co	1.25	
12-Oct	1868	10,000	RCD	Brightwen & Co	1.25	

12-Oct	1868	10,000	RCD	Anderson & Co	1.25	
12-Oct	1868	10,000	RCD	Gillett Bros	1.375	
26-Oct	1868	10,000	RCD	Brightwen & Co	1.25	
09-Nov	1868	20,000	RCD	Alexander & Co	1.50	
14-Dec	1868	10,000	RCD	Gilletts	2.75	
05-Jul	1869	10,000	RCD	Brightwen & Co	3.125	
05-Jul	1869	10,000 or 20,000	TBT			Not to exceed 2 months
12-Jul	1869	20,000	RCD	Brightwen & Co		
19-Jul	1869	10,000	RCD	Gillett Bros		
19-Jul	1869	10,000	RCD	Brightwen & Co	2.50	
06-Sep	1869	20,000	TBT	Brightwen & Co	1.875	
06-Sep	1869	10,000	TBT	Anderson & Co	2.00	
13-Sep	1869	20,000	RCD	Brightwen & Co	1.875	
13-Sep	1869	10,000	RCD	Anderson & Co	2.00	
20-Sep	1869	10,000	RCD	Alexander & Co	2.00	
27-Sep	1869	12,000	RCD	Brightwen & Co	2.125	
27-Sep	1869	10,000	RCD	Anderson & Co	2.25	
18-Oct	1869	10,125	RCD	Anderson & Co	2.25	
18-Oct	1869	10,245	RCD	Brightwen & Co	2.125	
08-Nov	1869	10,000	RCD	Anderson & Co	2.375	
13-Dec	1869	10,000	RCD	Gilletts	2.625	
15-Aug	1870	10,000	RCD	Brightwen & Co		
15-Aug	1870	10,000	RCD	Gillett Bros	4.75	
31-Oct	1870	10,000	RCD		2.50	
07-Nov	1870	10,000	RCD	Brightwen & Co		
07-Nov	1870	10,000	RCD	Gillett Bros & Co		

07-Nov	1870	10,000	RCD	Anderson & Co		
07-Nov	1870	20,000	TBT			Or advanced as loan for about 4 months
19-Dec	1870	16,000	RCD	Brightwen & Co	2.00	3 months

* Abbreviations used:
TBI To be invested
TBT To be taken
AP/F Applied for
HBI Have been invested
HBT Have been taken
RCD Received

Information extracted from the Directors' Minute Books, York City &County Bank, 1830-1870 (Y1-Y7).

Appendix 5.1 Loans and Advances, York City & County Bank, 1830-1870

Date	Name	Amount (£)	Interest rate	Loan agreed (Y/N)	Supporting information
19.07.1830	Martin Stapylton	10,000	5.0	Y	On mortgage of his estates.
22.11.1830	Mr Hustler on behalf of the Trustees of the Huddersfield road/read (?)	6,000	5.0	Y	Five per cent per annum be required if the money to be repaid at anytime after 6 months notice.
07.02.1831	Client of Blanchard & Richardson (Solicitors)	14,000	4.0	N	Loan of £14,000 at 4% required. Resolved to decline advancing the money.
14.03.1831	W Skinner & Co. of Stockton (making application for loan) on account of the Tees Navigation Company	8,000	4.5	N	Decided not to advance the money.
10.04.1832	Lord Muncaster	3,000		Y	£3,000 advanced on bond payable 6 months after date. Robert Gilbert and Henry Ramsden proposed as sureties.
05.11.1832	Blanchard & Richardson (Solicitors)	6,000-7,000	4.25	N	Declined.
27.11.1832	Blanchard & Richardson (Solicitors)	6,000	5.0	N	On a mortgage of Tythes in the Township of Thirsk. Declined. Blanchard said he could not recommend it (before he said this, the bank was ready to sanction the advance).
31.12.1832	Agent for the Earl of Carlisle	5,000	5.0	Y	£5,000 requested for the use of the Earl. It was agreed to allow the same on a deposit of Title Deeds and interest at 5 per cent.
07.01.1833	Agent for the Earl of Carlisle				Agent objected to the interest rate.
18.02.1833	Trustees of Marmaduke Nelson	6,000	4.5	Y	
15.07.1833	Stockton & Darlington Railway	1,500	4.5	Y	Further loan of £1,500 granted, providing security satisfactory.
20.01.1834	Lord Muncaster	4,000	5.0		
27.01.1834	Lord Muncaster			Y	Board agreed to advance of £1,700 at 5 per cent on a second mortgage of an estate just bought by him for £4,000 (the first

					mortgage being £2,000), and 10 shares in the Pocklington Canal Co.
03.02.1834	Mr Appleby, Scarborough	10,000	4.5	Y	On mortgage of houses and land at Scarborough.
17.11.1834	Lord Muncaster	5,000		N	Request for further £5,000 rejected: insufficient security.
16.11.1835	Hustler & Seebohm	5,000	5.0	Y	Repayable at 3 months notice.
06.02.1837	Rev W Preston of Bulmer	800		N	Application for £800 advance on security of a policy of insurance for £1,000 declined.
12.03.1838	Secretary of the Hartlepool Railway			N	Application for loan declined.
27.08.1838	John Hustler Jnr, Bradford	10,000		Y	On the deposit of deeds of property at Bradford and Huddersfield and the promissory note of Hustler & Seebohm for 1 year.
17.12.1838	Wesleyan Methodist Society	4,000	4.5	Y	For 6 months.
31.12.1838	Mr Crawslay	1,263			Advance required to pay the call of 5 per cent upon his 250 shares in the York & North Midland Railway upon a guarantee of the directors that if Mr Crawslay persists in refusing to give the required security the money shall be refunded.
04.02.1839	York & North Midland Railway	40,000	5.0	Y	
09.12.1839	Mr Ireland, Goole	7,000	5.0	Y	Applied for advance through Thomas Clough. Conditions offered: 1) he give 14 days notice of his want of the money; 2) 5 per cent interest; 3) ample security to be lodged.
23.12.1839	John Hustler				Requested an extension on time for repayment of loan of £10,000. Board decided money to be paid in whole or part in 3 months from this date (if only a portion paid in 3 months, the remainder to be paid in 6 months).
30.03.1839		20,000	6.0		On the joint and several bond of: George Champney, James Meek, Amos Coates, G Woodall, H Grahams & others. (Rate of interest on the £5,000 already advanced to be 6.5 per cent from 31 Mar 1839).

04.03.1840	Mr Scholfield, Sand Hall	10,000		Y	
22.11.1841	Liverpool Union Bank	10,000	5.0	Y	Payable on demand if required.
06.11.1843	George Townsend Andrews	8,000		Y	Agreed to advance sum upon the joint and several promissory notes of Edward Day (draper, York), G T Andrews (York), Stephen Wilks (York), George Leeman (York), Andrew White (Sunderland) and Thomas Leaf (Hovingham).
12.02.1844	Durham Coal Co	20,000		Y	Security: mortgage on their Leasehold Colliery and plant at Coxhoe (County of Durham) and certain freehold cottages (worth over £42,000) and also the personal covenant of their Durham Board of Directors (consisting of G T Andrews, Stephen Parkinson Wilks, Edward Day, Andrew White, Thomas Leaf).
15.09.1845	C Carter	3,000		N	Refused.
26.01.1846	York and North Midland Railway	15,000		N	Declined.
21.09.1846	John Rand, Bradford	12,000	5.0	Y	Sum advanced for 3 months on the transfer of certificates of 200 shares in the Leeds and Bradford Railway, his promissory note and an authority to the transferee to sell the shares should the sum not be paid within 7 days of being due.
23.11.1846	John Rand				Application made for extended repayment time. Board rejected this.
07.12.1846	John Rand				Application made for extended repayment time of the second loan. One extra month allowed from 4 Jan 1847 to 4 Feb 1847.
04.01.1847	John Rand				Repayment time extended again from 4 Feb 1847 to 4 Mar 1847.
06.01.1847	Leeds & West Riding Joint Stock Bank, Newcastle-upon-Tyne Joint Stock Bank				Arrangements to be made with the Leeds & West Riding and the Newcastle-upon-Tyne Joint Stock Banks for payment of debts due.
08.02.1847	John Rand				Asked for another extension. Half to be paid 4 Mar 1847 and

					half to be paid 4 Apr 1847.
21.05.1849	Swaledale & Wensleydale Banking Co	5,000	3.5	Y	Fourteen days notice from either party required for the repayment of loan.
29.04.1850	York & North Midland Railway Co	50,000	4.5	Y	For 3 months, provided security satisfactory. Security: promissory note from George Hudson dated 22 May 1849 to the company for £40,177 12s 2d.
18.12.1850	Newcastle & Berwick Railway Co	20,000		Y	Security to be given: 2 debentures of £10,000 each for 3 months certain at 4 per cent and 3 months notice for the repayment. No charge of commission and clear of income tax.
01.07.1851	York & North Midland Railway Co	1,500	4.0		Upon deposit of 2 debentures, one for £1,000 and one for £500. The loan to be clear of income tax and the debentures to be guaranteed by the York & North Midland Railway Co.
29.07.1851	George Bartliffe (Surgeon), Malton	1,400		Y	Applied for £1,400 for term of 3 months. Loan approved provided he deposits deeds at bank.
02.09.1851	Mr Uppleby, Scarborough	9,000			Directors consented to make an advance on Mr Uppleby lodging in the bank £15,000 stock, guaranteed by the Great Western Railway Co, being coupons and certificates in the Birmingham, Oxford, Dudley and Wolverhampton Railway - to be transferred into the names of Price and Meek (York City directors), to be repaid in 6 months. Should the money be required earlier, 1 months notice to be given.
09.09.1851	Mr Uppleby, Scarborough	5,000		Y	Mr Uppleby applied for £5,000 upon deposit of deeds of house in Westbourne Terrace, London and promissory note for £2,000 endorsed over to the bank, and 1,200 York, Newcastle & Berwick shares on which £5 has been paid (=£6,000 stock).
10.05.1852	Mr Smith (newly appointed manager at the Goole Branch)	200		Y	For furnishing bank house at Goole. Mr Rose (wine merchant), Malton, guaranteeing payment.
24.05.1852	York, Newcastle & Berwick Railway	50,000	3.0	N	£50,000 offered to company at 3 per cent at 6 months notice

	Co				repayment from either party. Company declined offer.
20.09.1852	Banks & Hussey	10,000			Applied for loan of £10,000 on security: joint bond of Banks & Hussey for £10,000 and as a collateral security: Mr Banks to give Title Deeds, representing property valued at in excess of £25,000.
15.11.1852	Mr Cawood	800			£800 be advanced to Mr Cawood on his mortgaging the field he has bought for £800 to the bank and further, that he lodge in addition to above mortgage, certain deeds representing property of value £300.
29.11.1852	North British Railway Co	20,000	3.5	Y	Mr Richardson authorised to negotiate a loan of £20,000 upon debentures with the North British Railway Co at an interest rate of 3.5 per cent. The debentures to be given for 6 months subject to 6 months notice by either party.
29.11.1852	Foster & Braithwaite	20,000	2.5	Y	£20,000 to be lent to Foster & Braithwaite, they transferring into the names of the registered officers of the bank £25,000 Lancashire & Yorkshire stock for 4 months at 2.5 per cent interest, Foster & Braithwaite having the option of paying the amount at any time on giving 10 days notice.
20.12.1852	Price & Pott, Stock & Share Brokers, Pope's Head Alley, London	10,000	3.5	Y	Sum advanced for 3 months at 3.5 per cent upon shares or stock of any of the following railway companies - London & North Western; London & Brighton; London & South Western; London & South Eastern; Lancashire & Yorkshire: York, Newcastle & Berwick; Lancaster & Carlisle; Midlands; Newcastle & Carlisle. Shares or stock to be transferred with into the names of at least 2 registered officers of the bank, with a margin of 10 per cent in favour of the bank.
14.03.1853	Foster & Braithwaite				Notice given to Foster & Braithwaite, London, to repay on 30 March £20,000 loan.

21.03.1853	Foster & Braithwaite		3.75		Foster & Braithwaite argued to continue loan for 4 months at 3.75 per cent.
18.04.1853	Messrs Williamson, Fowl Bridge Farm	5,600	4.5	Y	For 1 year at 4.5 per cent upon a mortgage of their farm of 200 acres.
07.11.1853	Great Northern Railway Co				Loan debenture of the Great Northern Railway Co. to be taken for 12 months at 4.5 per cent.
20.03.1854	York & North Midland Railway Co	20,000	5.0	Y	Applied for any loan not exceeding £50,000 on loan for 12 months on debentures. General Manager offered £20,000 at 5 per cent for 12 months.
18.09.1854	Client of Price & Pott, Stock Brokers, London	6,000	5.0		Money to be advanced on the transfer of debenture bonds of the Greenwich Railway Co, guaranteed by the South Eastern and Dover Railway Co. to the amount of £9,000. Commission at 0.25 per cent.
23.09.1854	Client of Price & Pott, Stock Brokers, London			N	Price & Pott declined the loan for this client.
01.01.1855	Great Northern Railway Co				Loan due 15 Mar 1855. Resolved that the £20,000 in debentures due from Great Northern Railway Co to be continued for 3 years at 4.75% interest.
15.01.1855	North Eastern Railway Co	20,000	4.75	Y	£20,000 to be lent on debentures for 3 years. Commission at 0.25 per cent.
29.01.1855	Cemetry Company	1,000 or 1,500		Y	On the personal security of at least 4 individuals of the committee to be approved of by the bank or, transfer of security now held by representatives of [late] Mrs Rigg.
05.03.1855	North Eastern Railway Co	20,000	5.0	Y	£20,000 loan to York & North Midland Railway Co which becomes due 29 March, be lent to the North Eastern Railway Co at 5 per cent for 18 months from above date, the said railway co. giving a debenture bond for the sum.
27.08.1855	North Eastern Railway Co	50,000	4.0		Up to next Christmas. A debenture will be granted to the bank

					by the railway company if applied for.
02.06.1856	North Eastern Railway Co	20,000	4.5		£20,000 offered to company on debentures for 3 years at 4.5 per cent.
09.06.1856	Richard North	14,750	4.5	Y	The £14,750 advanced upon the estate of Richard North in the Valley of the Dune near Lancaster to be continued at 4.5 per cent.
21.07.1856		4,000			£4,000 to be advanced upon 200 East India Railway shares of £20 each all paid up (present price gives a premium of £600) guaranteed 5 per cent by the East India Co, transferred into the names of Meek and Williamson (York City directors) by Price & North of London, Stockbrokers, who give their personal guarantee in addition.
23.03.1857	Thomas Fisher	2,000			Applied for an advance (together with balance due from him on account of Williamson's estate). Agreed, provided he gives bank a mortgage upon property of ample value and that all open accounts between Fisher and bank be included in the advance of £2,000.
30.03.1857	Mr Punber (Price & Booth's client)	40,000	6.0	Y	Advance to be continued for 3 months longer than 15 Apr 1857 at 6 per cent and 1/8 per cent commission.
30.03.1857	William Smith				Loan of £200 from 1852. £200 plus interest due from Mr Smith late clerk at Malton, guaranteed by E Rose. Rose offered £200 for discharge of principle and interest which bank agreed to.
31.08.1857	North Eastern Railway Co	50,000	6.0	Y	For 2 months.
07.09.1857	William Potter				Part of the proceeds of the sale to W Potter (of Taylor & Potter, merchants, Liverpool) of the soapery and premises at Birkenhead be lent to him for the term of 7 years on mortgage of such soapery and premises.
23.11.1857	North Eastern Railway Co	50,000		Y	£25,000 to be advanced immediately and a further advance

					£25,000 when required, making £50,000.
29.11.1857	J Burkill	6,000	4.0	Y	He deposit as security 1,000 shares in the North Western Railway Co of £20 cash all paid up (present price is 11.5).
28.03.1859	Eastern Counties Railway	30,000	3.75	Y	Upon debenture for one year. One month's notice to be given by either party before the close of the year.
13.06.1859	Eastern Union Railway Co	10,000	4.5	Y	For 6 months on debentures.
27.06.1859	North Eastern Railway Co	20,000	4.25	Y	To be lent on debentures for 3 years.
22.08.1859	J Burkill	10,000	3.5	Y	In response to his enquiry regarding loan for 8-9 months, it is to be applied as follows: first 3 months at 3.5 per cent, fixed for following 3 months and fixed for remaining 3 months.
29.08.1859	Forkes & Fielding	2,300	3.5		Forkes & Fielding's loan of £2,300 renewed for 3 months at 3.5 per cent.
19.09.1859	North Eastern Railway Co	20,000	4.0	Y	Debentures for £20,000 due 1 Oct 1859 renewed for 3 years at 4 per cent.
12.12.1859	Eastern Union Railway Co	10,000	4.0	Y	£10,000, in debentures of the Eastern Union Railway Co due 30 Feb 1860 to continue on loan to said company for 6 months longer at 4 per cent.
13.02.1860	Eastern Counties Railway C.				Notice to be given to Eastern Counties Railway Co that the debentures for £30,000 due 25 Mar 1860.
12.03.1860	Eastern Counties Railway Co				Renewed for 3 years at 4.25 per cent.
27.08.1860	J Burkill	10,000	4.5	Y	May continue the loan for 3 months longer at 4.5 per cent.
27.08.1860	North Eastern Railway Co				The debentures for £24,000 in the North Eastern Railway Co be renewed for 3 years from 1 Oct 1860 at 4 per cent
24.12.1860	George Armstrong & Co of the Alum Works near Whitby	500		N	Advance declined.
31.12.1860		15,000	4.25	Y	£15,000 debentures from North Eastern Railway Co due 15 and 31 Dec 1860 renewed for 3 years at 4.25 per cent.
26.08.1861	North Eastern Railway Co				North Eastern Railway Co to hand over in part payment of a

					loan made to them in January last, £14,400 exchange bills at 4 per cent.
02.09.1861	Great Northern Railway Co	25,000	4.25	Y	4.25 per cent interest for 3 months certain with option to continue for 3 months longer at same rate if desired.
30.12.1861	Great Northern Railway Co	25,000	4.25	Y	Loan continued upon debentures for 3 years.
17.02.1862	Eastern Union Railway Co	10,000	4.5	Y	For 2 years.
17.02.1862	Eastern Union Railway Co	10,000	4.5	Y	For 3 years.
24.02.1862	Eastern Counties Railway Co	20,000	4.25	Y	Debentures for £20,000 by the Eastern Counties Railway Co to be renewed at 4.25 per cent (present rate is 4 per cent) for 3 years from10 Mar 1862.
30.06.1862	Foster & Braithwaite				£10,000 loan payable 29 August.
08.09.1862	North Eastern Railway Co	20,000	4.0	Y	£20,000 advanced to company on Great North of England debentures to expire at the end of December 1864.
15.09.1862	North Eastern Railway Co				£20,000 North Eastern debentures due 1 Oct 1862 renewed for 3 years at 4%.
06.10.1862	Great Eastern Railway Co	20,000	3.5	Y	£20,000 advanced on a debenture for 6 months.
07.09.1863	North Eastern Railway Co				North Eastern debentures for £24,000 due 1 October and the debentures for £6,612 10s due 7 October be renewed for 3 years at 4 per cent.
11.07.1864	Great Eastern Railway				Debentures for £10,000 due from Great Eastern Railway on 1st inst. to be renewed on the terms of their offer viz. at 4.5 per cent for 3 years.
25.07.1864	Scarborough Hotel Co	5,000			Company applied for £5,000. (No indication as to whether granted).
05.09.1864	Price & Potts	10,000	8.0	Y	Price & Potts accepted loan for £10,000 at 8 per cent for 3 months on North Eastern stock (offered on 2nd).
02.01.1865	Executors of the late Mr Williamson	13,000			Advance of £13,000 to executors of late Mr Williamson to pay up his first North of England Co. shares preparatory to the sale

					of said shares.
29.05.1865					Mortgage on the Great Eastern Railway for £10,000 renewed for 3 years at 4.5 per cent.
14.08.1865	North Eastern Railway Co	20,000	4.5	Y	On debentures for 3 years at 4.5 per cent.
18.09.1865					Renewal of North Eastern Railway debentures for £20,000 for 3 years at 4.5 per cent.
06.11.1865	Foster & Braithwaite	10,000	7.0		Offered the advances by the bank on railway stock.
06.11.1865	Price & Potts	5,000	7.0		Offered the advances by the bank on railway stock.
02.07.1866	Price & Pott	10,000	8.0/9.0	Y	
24.09.1866					Resolved that £24,000 of the North Eastern debentures for £30,000 falling due shortly be renewed for 3 years at 4.75 per cent.
23.09.1867	Price & Pott	4,800	2.5	Y	On security of £5,000 North Eastern Berwick stock for 3 months.
20.04.1868	Colonel Thompson	7,700			On the second mortgage on Mr Tocks' Drase Abbey and Camblesforth Grange Estates subject to the execution of a proper security.
15.06.1868					Great Eastern Railway Co's offer to renew their debentures of £10,000 for 3 years at 5 per cent to be accepted.
29.06.1868	Price & Pott	10,000	3.0	Y	For 3 months on Great Western preference stock, Great Eastern, Eastern Union preference and no. 1, and London, C & Dover first preference.
27.06.1870	Malton customer				That the application of Mr Smith of Malton respecting an advance on R'sdale Bonds be acceded to.
17.10.1870	Price & Pott	10,000	3.0	Y	For 3 months on the railway stock: Brighton Preference No.6 - £5,000 Great Western Consolidated 5 per cent Preference. - £4,800 Caledonian Ordinary Stock - £5,000

17.10.1870	Riley Briggs, Osgodby Hall				Permission given to draw to the extent of £3,000 on Barnett & Co on the following terms: his cash remittances to be such that the advance shall not exceed £10,000 without security. Commission at 0.25 per cent.
12.12.1870	Isaac Hartas	850		Y	On security of £1,150 North East York stock, 10 shares in this bank and his own interest under his wife's marriage settlement with the deposit of 100 Northern Buenos Ayres shares. To be repaid in 6 months.

Information extracted from Directors' Minute Books, York City & County Bank, 1830-1870 (Y1-Y7)

Appendix 5.2 Customer Accounts, York City & County Bank, 1830-1870

06.06.1831	Martin Stapylton	Loan of £10,000 soon to be repaid.
10.10.1831	Martin Stapylton	Notice to be given to solicitors for the repayment of Stapylton's £10,000 loan.
05.03.1832	Martin Stapylton	Solicitors instructed to proceed with the recovery of the loan of £10,000 to Stapylton.
12.03.1832	Mr. Allen, Malton	Letter to be written to Allen 'desiring him to reduce his accounts'.
22.10.1832	Martin Stapylton	Martyn Stapylton attended meeting to discuss the sale of a portion of his property mortgaged to the bank.
19.11.1832	R J G Harrison, Hull	R J G Harrison refused to take up two bills having their endorsement and discount last September at Howden on the ground of their having been lost and that due caution had not been exercised by (branch agent) Thomas Clough. Solicitors to write to Harrison's solicitors.
15.06.1835	C Priestly	C Priestly has suspended payment.
08.02.1836	John Warner	Solicitors in court regarding John Warner of Doncaster who had given to Sir W B Cooke a warrant of attorney to the exclusion of the rest of his creditors. It was determined to send the case opinion to Cooke & Co. and that the solicitors should correspond in order to bring about an amicable adjustment of the business.
08.02.1836	Albatross Steam Packet Co	Solicitors in court regarding the liability of the Albatross Steam Packet Co and their refusal to refund the money advanced to them be the Selby branch of this Co. The board decided that steps be immediately taken to enforce payment of the demand.
15.02.1836	Albatross Steam Packet Co	Sum of £300-0-11, the disputed claim between W. Smith & Co. and the Albatross Steam Packet Co. be placed to the credit of W. Smith & Co's account.
05.07.1836	Albatross Steam Packet Co	Solicitors to go to Hull to see the principal proprietors of the Albatross Steam Packet Co and to effect a compromise over the debt due from them to the Selby branch.
11.07.1836	York Flint Glass Co	Account of the York Flint Glass Co with the bank to be at any time open to the inspection of the board; deeds of glass deposited.
18.07.1836	William Smith	Bank obliged to submit to a lawsuit in consequence of it not being proved that William Smith had authority from his co-partners to borrow money on their account.
22.08.1836	George Lawton	George Lawton unable to pay his debt to the company. Solicitors to proceed to recover the money.

10.04.1837	Robert Rivsdale (Bankrupt)	Resolved 'that this board doth authorize William Powell of Malton the purchaser of the Copy hold herediatments surrended by way of mortgage by Robert Rivsdale a Bankrupt to W Hale and George Champney as trustees on behalf of this company, to pay his purchase money amounting to seven hundred pounds unto the said trustees whose receipt shall be an effectual discharge of the same.
17.04.1837	Robert Rivsdale (Bankrupt)	Resolved 'that this board doth authorize Jane Lambert the purchaser of the Copy hold herediatments surrended by way of mortgage by Robert Rivsdale a Bankrupt to W Hale and George Champney as trustees on behalf of this company, to pay his purchase money amounting to seven hundred pounds unto the said trustees whose receipt shall be an effectual discharge of the same.
21.08.1837	Mr Petch	Solicitors instructed to obtain Mr Petch's debt by legal means.
05.01.1838	Robert Rivsdale (Bankrupt)	Thomas Kirby the purchaser of certain Copy hold premisies at Murton mortgaged by Robert Rivsdale a Bankrupt to W Hale and George Champney as trustees on behalf of this company be authorised to pay his purchase money amounting to £5,690 to the said W Hale and George Champney as either of them whose receipt shall be a sufficient discharge for the same.
08.04.1839	Robert Pattison	That the board doth authorize Phoebe Lonsdale, Robert Foster, Alexandra Crawford, Robert Burnham and the Reverend George Inman the purchasers of Hereditaments situati at Easington and Skeffling (in the County of York) or one of them late belonging to Robert Pattison and conveyed and surrended by way of mortgage to G Champney and Samuel Tuke, trustees on behalf of this company to pay their respective purchase monies unto the said George Champney and Sameul Tuke whose receipt(s) pending shall be an effectual discharge(s) for the same.
26.08.1839	Robert Pattison	That the board doth authorize Thomas Hodgson the purchasers of Hereditaments situati at Easington or one of them late belonging to Robert Pattison and conveyed and surrended by way of mortgage to George Champney and Samuel Tuke, trustees on behalf of this company to pay their respective purchase monies unto the said George Champney and Samuel Tuke whose receipt(s) pending shall be an effectual discharge(s) for the same.
03.08.1840	Mr Leeson	Solicitors to take steps to recover money due from Mr Leeson.
02.11.1840	J Hustler	Decided Mr. Barnes should write to J Hustler to request his attendance at board to arrange

		repayment of the loans of £10,000 and £7,000.
16.11.1840	J Hustler	J Hustler present - loan to be paid in following manner: £1,000 plus interest (February 1841) and same sum plus interest on 1st of each succeeding month and that the loan for £7,000 (paid to J Hustler in 1831) be repaid as soon as possible.
24.05.1841	James Harris	Solicitors ordered to recover money from James Harris, executor of late Thomas Harris for debt at Boroughbridge branch.
04.10.1841	Hustler & Seebohm	Letter from Messrs Hustler & Seebohm asking for an extension of time for 3 months for payment of £1,000 per month of the balance yet due. Extension granted.
16.05.1842	Southern District Bank	Debt due.
06.06.1842	David Myers	The board instructed solicitors to prosecute David Myers of Ripon for forging or passing forged bills with intent to defraud the company.
12.12.1842	Southern District Banking Co	Ordered solicitors to proceed against the Southern District Banking Co for the recovery of the debt owing by that bank.
15.09.1845	John Hustler (late), Bradford	Executors asked for extended period to repay loan. Bank rejected this.
14.08.1845	John Stott	John Stott of Whitby made an assignment of his affairs: the debt due to bank amounting to £1,054 15s 8d. Security held by bank: house - £500, piece of ground - £270, 2 life policies - £400. It is expected that the estate will pay 10/0 in the pound.
28.08.1848	William Sherwood	Late William Sherwood of Kexby owes bank at his death £2,363. Security held by bank: 5 shares and small property at Fulford value £500.
23.04.1849	Crigglestone Estate (Messrs Popes)	That a strong letter by written by the managing directors to Williamson & Hill to urge Overbury & Dickson the great importance of this proceeding to the sale of the Crigglestone Estate on 4 May as fixed by them that Williamson & Hull be required to inform them if they fail or neglect to do so the bank will take such measures after that time as under the circumstances shall seem best for its own interest without reference to other parties.
30.07.1849	Crigglestone Estate (Messrs Popes)	Bank to take necessary steps for the sale of the vessels belonging to Messrs Popes at the Crigglestone Estate and also any other property at Hull, Beverley or elsewhere, not included in the valuation of property already taken.

24.12.1849	Messrs Earnshaw	Matter of the mortgage of Messrs Earnshaw, authorised and directed by bank to receive all monies due.
28.01.1850	Crigglestone Estate (Messrs Popes)	Board decided £2,000 be placed to the contingency fund to meet the uncertain issue of the bankruptcy of Messrs Popes of Crigglestone.
12.08.1850	John Brittain	Affairs of late John Brittain - to pay creditors 10/0 in the pound.
26.08.1850	Mr Ireland	Mr Ireland, Ripon - bank to receive £300 in discharge of their debt and give up the title deeds of property of Mr Ireland.
02.09.1850	Mr Shipton	Mr. Shipton's debt - Mr. Anderson offered £1,000 - bank declined this offer to cover debt and legal costs - wouldn't accept less than 10/0 in the pound.
14.10.1850	John Brittain	Bank to pay 10/0 in the pound to the creditors of late John Brittain, Ripon, Brewer.
03.12.1850	Mr. Shipton	Decided to accept £1,000 in cash for Shipton debt and £157 10s legal costs.
28.10.1851	Soap Works	Property at Birkenhead (Soap Works) placed in hands of Mr Whittingham who will forward schedule of fixtures.
04.11.1851	Isaac Hartas	Isaac Hartas' account considered by board and decided that he be requested either to lodge sufficient security or to pay the account off.
17.11.1851	Richardson & Rackett	Proceedings of bankruptcy taken against Richardson & Rackett, Millers, Snaith.
06.01.1852	Roger Dobson	Bank has taken possession of the whole of Roger Dobson's estate.
21.01.1852	John Brittain	J P Wilks to be paid £100 in discharge of his claims on Brittain's estate and £7 7s 4d.
05.04.1852	Soap Works	Mr Whittingham to go to Birkenhead to arrange the letting of the Soap Works.
14.06.1852	J B Pope & Co	Recommendation of Williamson & Hill of London for the bank to agree to take £500 in settlement of certain matters in connection with affairs of J B Pope & Co's bankruptcy.
18.10.1852	Mr Hartas	Mr. Hartas of Malton required to pay off balance due by him to the Malton branch or give satisfactory security.
03.11.1856	Swinton Iron Works	Resolved that notice be forthwith given to Richardson & Gutch (solicitors) to Cariss & Cudworth, solicitors to the assignees under E. Dacke's assignment that the bank will take possession of the Swinton Iron Works and all the other property upon which they have security for the purpose of converting the said securities into money.
30.03.1856	Swinton Iron Works	Resolved that solicitors apply forthwith to Cariss & Cudworth in order to obtain possession of the

		property upon which this Bank has a mortgage at Swinton, late E Dacke's.
29.06.1856	Thomas Watkinson	Repeated applications having been made to Thomas Watkinson for the balance due from him to the bank to which he has not attended. Solicitors directed to apply to him for the immediate discharge of the said balance.
29.06.1857	Thomas Watkinson	Application made to Thomas Watkinson for the immediate discharge of his due balance.
07.12.1857	Swinton Iron Works	That the mill property in Saville Street, Leeds and the cottages and workshops in Castle Street, Leeds be offered for £1,500 - and Mr Waite the agent may further state that the bank will let £1,000 remain upon the property at 5% if the purchaser should require it.
28.12.1857	Sunderland Dock Co	General Manager to write to the secretary of the Sunderland Dock Co with reference to the renewal of the £10,000 bill held by the bank.
28.12.1857	Swinton Iron Works	Solicitors to write to Cariss & Cudworth offering them, as the solicitors for the trustees under E Dacke's assignment the sum of £1,500 for their interest as trustees in the goods and chattels which may not pass to the Bank under the mortgage deed - also that the Bank fines the sum of £10,000 as the value to be taken for all they hold under their deeds of mortgage upon the Swinton Works, Kilnhurst House, Mill in Saville Street Leeds - the Bank to proceed against Dacke's estate for all they may want beyond £10,000.
04.01.1858	Sunderland Dock Co.	George Hudson has applied to this Board to renew a bill by the Sunderland Dock Co endorsed by the Northumberland & Durham District Bank (due 24 January for £10,000 for 6 months). Agreed to on the understanding that shares in the Dock Co amounting to £15,000 be transferred to Managing Directors of York City & County Bank as further security.
11.01.1858	Swinton Iron Works	Letter from Cariss & Cudworth proposing, on behalf of Dacke's trustees, that this bank shall pay the trustees £2,000 for their claim on the works and that the bank forego their right to press for all debt above £10,000. Bank offered in return £1,750 and to retain their right to press (as before proposal) for all their debt above £10,000.
11.01.1858	Northumberland & Durham District Bank	Mr Mackreth (representative of Northumberland & Durham District Bank) waited upon the directors on behalf of the Northumberland & Durham District Bank with respect to a number of overdue bills held by this bank. The board stated to Mr Mackreth that the bills in question must be returned forthwith or satisfactory security given for them until returned at a period hereafter to be

		fixed.
14.01.1858	Sunderland Dock Co	Northumberland & Durham District Bank handed over £16,300 preference 4 per cent stock in Sunderland Dock Co for the protection of promissory note for £10,000 due 24 January.
18.01.1858	Consett & Derwent Iron Co	Solicitors to give notice of Bankruptcy to the Consett & Derwent Iron Co for their bills which they have dishonoured.
18.01.1858	Ritson & Co	To be issued with writs on account of overdue bills.
18.01.1858	Maunsey & Janson	To be issued with writs on account of overdue bills.
19.04.1858	Swinton Iron Works	That the Swinton Iron Works be advertised for sale by private contract in the Sheffield, Leeds, Manchester, Birmingham and Midland Counties *Herald*.
24.05.1858	Swinton Iron Works	Mill property, Saville Street Leeds (mortgaged by late William Fieldhouse) sold for £1,400.
05.07.1858	All overdrawn accounts	All overdrawn accounts to be investigated by the Managing Directors and the general manager in order to reduce some and fix the limit to which they may overdraw.
12.07.1858	Swinton Iron Works	Swinton Iron Works offered to Mr Turley for £16,000.
16.08.1858	Fowlbridge Farm	Solicitors instructed to sell Fowlbridge Farm by auction.
21.02.1859	Isaac Hartas	Solicitors instructed to carry out the mortgage to the bank of certain property at Selby (of Isaac Hartas - said to be worth £600) by way of further covering his overdrawn account.
14.03.1859	Isaac Hartas	Hartas required to reduce his account to £2,000 giving security for £2,200 - if account not reduced, security of £3,000 to be given.
25.04.1859	Sunderland Dock Co	Resolved that the application made by the secretary of the Sunderland Dock Co to retransfer a portion of the Dock Shares (104) held by this company as security for a loan of £10,000 be applied to as follows - viz. that this bank is only to retransfer the whole number of shares on condition that the loan of £10,000 is paid off.
06.06.1859	Swinton Iron Works	Interview with B Samuelson regarding the Swinton Iron Works and offered the works for rent or purchase.
05.03.1860	George Acton	George Acton's account to be paid off or fully covered with satisfactory security.
05.03.1860	John Jackson	John Jackson, Claxton to pay off his loan and current account.
03.09.1860	Swinton Iron Works	Offer from Sandford & Beatson for the Swinton Iron Works to be accepted. Rent £600 per annum.
17.09.1860	Swinton Iron Works	Lease for 7 years at £600 to be paid half yearly - at end of lease, leasees agree to pay for the

		premises and machinery with field containing around 3 acres. Sum of £7,500 of which sum of £3,500 may remain upon mortgage for 3 years longer at 5 per cent per annum.
14.07.1862	Joseph Jobston	Directors signed notices to the trustees of the Bank authorising them to sell and convey the property at Wakefield and Hull in mortgage to the bank for securing the banking account of Jospeh Jobston.
14.07.1862	E Dacke (Swinton Iron Works)	Directors signed notices to the trustees of the Bank authorising them to sell and convey the property at Kilnhurst in mortgage to the bank for securing the banking account of E Dacke.
13.10.1862	Mr Hobkirk	Edward Kirby (agent) attended from Whitby to report that Mr Hobkirk was in difficulties.
20.10.1862	Roger Dobson	Letter from Mr Reysoux offering, on behalf of Roger Dobson (late clerk at Whitby branch), to pay £1,600 in discharge of the debt standing against Dobson. Offer accepted.
26.09.1863	Swinton Iron Works	Official signing of agreement between York City & County Bank and John Brown, William Bragge and John Devonshire Ellis over the land situae in Swinton in the parish of Wath Upon Dearne, containing 5 acres and 6 perches and the 'Swinton Iron Works' along with buildings, machinery etc. for £5,500.
29.06.1863	Swinton Iron Works	Read a letter from John Brown & Co of the Atlas Works Sheffield accepting the offer made to them of the Swinton Iron Works for the sum of £5,500 (deposit £1,500 required).
06.07.1863	Swinton Iron Works	£1,000 deposit paid by Brown & Co on account of the Swinton Iron Works, and that promissory notes for £4,500 were also given for the balance of the purchase money viz. £1,250 at 12 months, £1,250 at 2 years, £1,000 at 3 years and £1,000 at 4 years - the bank to hold the deeds until payment of the promissory notes and interest thereon at 5 per cent per annum.
05.10.1863	Mr Thackeray	Mr Thackeray's property, Harrogate, in mortgage to the bank - an offer of £3,000 having been made for the principal and interest of the mortgage held by the bank. Resolved, best terms to be obtained to ensure settlement of the account.
12.10.1863	Mr Thackeray	Letter form Mr Collins (Knaresborough) offering to pay bank £3,250 in discharge of Mr Thackeray's mortgage and interest.
07.03.1864	Swinton Iron Works	Reported: John Brown & Co completed purchase of Swinton Iron Works by payment of amount of purchase.
07.03.1864	Mr Thackeray	Rev Thomas Collins paid £3,250 to clear Thackeray's debt.

22.01.1866	Mr Cooke	Mr Cooke's account be restricted to the present debit £4,300 and that he be called to give a mortgage of his property and to insure his life.
22.07.1867	Nottingham Mills Co	That the account of the Nottingham Mills Co being now £12,000 overdrawn to be reduced by at least half.
09.09.1867	Nottingham Mills Co	That a list be obtained of the current acceptances of the Nottingham Mills Co.
28.10.1867	Mr McCullack	That Mr McCullack's account be reduced to £4,000 - no further cheques will be honoured until this is done.
25.11.1867	George Kearsley & Co	That George Kearsley & C. be required to give a mortgage for security of their account.
01.06.1868	George Barister	Authorised: sale for £900 to John Foster, (Flax Merchant) Selby, the house, workshops and premises in Gawsthorpe in Selby belonging to George Barister and which by a deed dated 28 September 1842 (over to Backhouse and Price) leaving Bank £622 10s - purchase price being paid to Bank in part satisfaction of money owing to them.
24.08.1868	Titus Salt & Sons	Solicitor to contact Titus Salt & Sons as to a loan of £50,000 for 12 months at 4.5 per cent interest with deposit of deeds.
01.03.1869	Nottingham Mills Co	That the following terms in reference to the Nottingham Mills Co be agreed with Mr Crossley, viz. bonds as under to be due: 12 months hence 3,000 + 5 per cent interest 18 months hence 2,000 + 5 per cent interest 24 months hence 2,000 + 5 per cent interest 30 months hence 2,000 + 5 per cent interest 36 months hence 3,000 + 5 per cent interest If any of Mr McCulloch's securities be realised the proceeds to be applied to the payment of the bonds having the longest term to run - if default be made in any payment the whole of the bonds to become immediately payable.
09.08.1869	Nottingham Mills Co	Mr Hodgson - connected with the Nottingham Mills Co presented a statement of his affairs before board. His debit balance must never exceed £20,000.
04.04.1870	Sir Charles Legend	James Meek and David Hill authorised to transfer to the trustees of the National Life Assurance Society, the sum of £10,000 and the securities held by the bank and to give and sign a proper

		receipt and discharge for the moneys due thereon.
25.04.1870	H J McCulloch	Sale by James Meek for £1,000 over and above all liabilities to Pearse & Co of Stockton on Tees of the half of the iron screw steamer mortgaged by H.J. McCulloch to the bank.
13.06.1870	Mr McCulloch	Mr McCulloch house, South Bank, be advertised for sale.
13.06.1870	Major Smith	Major Smith's land at Easingwold to be advertised for sale.

Information extracted from Directors' Minute Books, York City & County Bank, 1830-1870 (Y1-Y7)

Appendix 5.3 Record of Customers made by Robert Morrell, Selby Branch, York City & County Bank, c.1840s*

'All these are considered very good – but enquiries may be made as individuals'

Customer Name (and occupation)	Comments
Messrs Procters	
Massey & Hutchinson	
John Dobson Snr	
Messrs Dobsons	
Joseph Dobson	
William Dobson	
Charles Weddall	Deceased
Jasper Braniston	Deceased
Richard Cliff (Wharfinger)	
Christopher Paver	
Paul Wright (Shopkeeper)	
Charles Weedall, Ousegate	
John Bradley (Brewer)	
Mrs Wharrey	
Richardson & Burton	
Thomas Burton (Butcher)	
Joseph Richardson	
Thomas Eadon	Deceased
Thomas Standering	
Robert Addwick (Surgeon)	
George Hood (Brewer)	
Thomas Leaper	
John Richardson Jnr	
Robert Richardson (Anchorsmith)	
William Sykes (Gardener)	
Samuel Staniland	
Stephen Staniland	
William Staniland	
Thomas France (Draper & Spirit Merchant)	
Thomas Leethem (Draper)	
Richard Precious (Inn Keeper)	
Robert Addinele (Inn Keeper)	
John Dodsworth (Solicitor)	
John Cafies (?) (Brewer)	
Joshua Bilton	Deceased
John Fothergill (Surgeon)	
Richardson & Son (Millers)	
Robert Seward	
Robert Bew (Grocer)	
Mrs Ann Staniland	
William Marshall	
Matthew Pearson	
John Foster	
John Pitt	
Burgess Pitt	
James Audus	

Thomas Adams (Spirit Merchant)	
George Chapman	
Varley & Massey (Timber Merchants)	
William Todd, Hambleton	
Henry Taylor (Inn Keeper)	
William Liversidge (Coal Merchant)	
Mrs Ann Finch (Painter)	
William Hawdon (Currier)	
Henry Mann (Draper)	Small
Mr Twist (Raff. Merchant)	
Joseph Gibson (Flax Spinner)	
Thomas Hawdon (Inn Keeper)	
Joseph Twist (Draper)	Small
Thomas Parker (Draper)	
Pitt & Pearson (Merchants)	
Mr W R Galpine (Stationer)	
Thomas Spivey (Draper)	Small
James Banks (Dish Turner)	
John Banks, White House	
William O'Padley	
George Burton	

Messrs Jacksons	Careful
William Fountain (Brewer)	Very Careful
Richard Jackson (Tanner)	On his mother's reference. Deceased
Samuel Gutteridge (Shipbuilder)	Staniland & Audus
Thomas Gouldsbrough (Sailmaker)	[illegible]
Thomas Fisher (Roper)	Reference
James Brooke (Wharfinger)	Reference. Deceased.
Michael Wellburn (Coast Waiter)	Reference
Richard Green (Innkeeper)	Limited account
Sykes Bickus (Grocer)	Reference
William Rawlinson (Grocer)	Bad
Billy Lee (Soap Boiler)	Very bad
John Adams & Sons (Flax Spinners)	Be very careful in advances. Reference and deeds.
John Adams	Ditto
Henry Spear (Draper)	Reference
Richard Hawdon	Reference
Joseph Varley (Grocer)	Respectable. Be careful
William Shillito (Grocer)	To be careful. Reference
Joh Hartley (Sawer)	Be careful
Robert Adams (Druggist)	Careful
Mr T B Adams (Druggist)	Careful
Jonathon Smith (Baker)	Speculative. Waiter in the Inn. Reference
Mr G Wood (Confectioner)	Careful. Reference
Thomas Smithson (Founder)	Very careful with him
Smithson & Fosters (Founders)	Very careful with them
Mr R T Godfrey (Seed Merchant)	Careful with him

Robert Daniel (Corn Merchant)	Careful with him

*Information extracted from miscellaneous papers, Selby branch, York City & County Bank, c.1840s (Y105/2).

Appendix 5.4 Securities for customer accounts, Howden Branch, York City & County Bank, 1842-1850

Name of Customer	Security
Joshua Birkett (Farmer)	Respectable tenant of T Clarke Esq. No security, safe for £250.
William Bickerstow (Wine & Spirit Merchant)	Security: joint guarantee, self and Mr Crows for £80.
Henry Bowser (Farmer)	Security: advance agreed to be £1,500, arises from having taken a large farm of Lord A Dennisons. Very respectable and safe. 1850 deposit of deeds, value £6,000.
Joseph Blanshard Burland (Solicitor)	March 1843 where in advance always covered by security. January 1845 securities ample and of various descriptions. A man of considerable property. The securities to remain with Mr Clough. January 1850 further deeds deposited at York. June 1850 securities estimated at not less than £4,000.
John Brown (Saddler)	Deposit of deeds of property at Bubwith.
John & Thomas Brown (Brick & Tile Makers)	The above deposit of deeds to apply to this account also by the directions of John Brown. £500 placed in deposit by John Brown to cover this account.
Edward Sale Bell (Farmer at Burland)	(Page missing – securities unknown).
Edward Sale Bell (Brick & File Maker at Newport)	(Page missing – securities unknown).
Scrafton Brown (Farmer)	(Page missing – securities unknown).
Robert Richardson Brown (Farmer & Potato Dealer)	Deposit of deeds of land at Bubwith with value of £1,000. Further deposit of deeds (considerable value).
Judith H Bell	Deposit of deeds very ample and also 10 shares.
John Bowman (Innkeeper 'Half Moon'; Veterinary Surgeon; Horse Dealer)	None. Very industrious and a considerable value of stock on hand always. This account not to exceed £300 without security.
J W Carter (Wine & Spirit Merchant)	None. Advance only temporary, very safe. June 1850, very safe for £2,500.
Robert Brown (Tailor & Draper)	None. The amount not to exceed £100. Industrious tradesman. June 1850 bankrupt.
William Carter (Gentleman)	15 shares at £35 - £525.
Elizabeth Buckle (Lady)	None. Very safe for £1,000.
William Crow (Brewer & Maltster)	Deposit of deeds of houses at Goole (£600). Deposit of deeds of house and land at Howden (£400) returned. Deposit of deeds of Black Horse Inn (£500) returned.
Thomas Clark Esq (a/c no. 1)	Deposit of deeds at York. Richardson to Clark (purchase) £5,500; Lawrence to Clark (purchase) £4,500; Singleton to Clark (mortgage) £1,000; Singleton to Clark (purchase) £1,942. In addition to the advance on the account, there is a loan of £2,000.

Thomas Clark Esq (Brickyard a/c)	See account no.1.
Thomas Carter (Brewer & Maltster)	Deposit of deeds of property at Howden on which a malt kiln has been recently built. Value £700-£800. 5 shares - £175. March 1843, the account is higher now on account of the malting season. January 1844 has purchased £1,300 worth of barley, which is the cause of the account being so high. Deposit of further deeds (£500) plus (£300). 1850 securities valued at £1,500.
Trustees of [late] John Clark (John Carter Jnr & Thomas Carter, Howden)	None. Both parties safe. Property for which they are trustees ample.
John Sykes Carter (Farmer)	None. Mr Carter is a tenant of J C Althorpe Esq and is very respectable.
John Cawood (Innkeeper)	Safe for £250.
Robert Chaplin (Gentleman)	None. Lives on his own property. Safe.
Thomas Crow (Brewer & Farmer)	Deposit of deeds £100-£150.
William Dyson (Solicitor)	40 shares at £35 - £1,400.
William Dykes (Farmer & Land Gent)	None. Advance only temporary.
Robert Dunn Esq. (from 1848 Exor Mary Dunn]	None. Mr Dunn is proprieter of considerable property in Howden and has a large estate at Neadby in Lincolnshire. 1850 no security held, safe for £5,000.
George Eland (Farmer)	None. Is a tenant to C Broadley Esq. Has a considerable property. Will reduce the account soon. April 1845 mortgage for £500.
George England (Solicitor)	None. Respectable attorney. Clerk to Poor Law Guardians and rising in his profession. 1849 deposit of deeds valued about £400. June 1850 safe for £300 more.
Amaziah Empson Esq	25 shares - £875.
John Featon (Hatter)	(Page missing – securities unknown).
Thomas Freeman (Corn Dealer)	
William Goundrill (Farmer & Horse Dealer)	Joint note of self and William Mitchell (£200). Account was paid off June 1844. New account opened June: advance to be £500, guarantee given by William Mitchell.
Revd. Thomas Grey (Vicar of Howden)	Deposit of policy – life insurance (£500) plus (£500). Has other property also.
[late] William Grasby (Shoemakers & Town's Officers)	5 shares - £175.
Joshua Hodgson (Farmer & Corn Dealer)	Guarantee of Joseph Reader, farmer, Willstoft, £300.
Matthew Johnson (Farmer)	Guarantee of his brother John Johnson for £150.
Thomas Gaggs (Surgeon)	None. Is in respectable practice and will have considerable property by virtue of his uncle's will. 1850 safe for £300.
John Hare (Farmer)	Joint bond of self and Reverend A Keir, North Cave

	£500. Other notes about £100.
John Jaques (Farmer)	None. Respectable farmer. 1850 safe for £300-400.
Richard Grasby (Brickmaker)	Deposit of deeds to cover £500.
William Knapton (Farmer)	Deposit of deeds to cover £1,000.
Marshall & Bland (Grocers & Drapers)	Deposit of deeds premises at Howden £1,600.
Robert Meggett (Draper & Painter)	None. Respectable tradesman. June 1850 safe for £250.
Joseph Mason (Butcher)	Deposit of deeds to house market place £250-300. Afterwards a mortgage was taken of the above and some other property to cover account £500.
Miles Overend (Farmer)	Deposit of deeds, ample.
James Middlebrook (Farmer)	Deposit of deeds, value £250.
Thomas Ostler (Currier)	None. Mr Ostler's trade is of that nature, he only receives his money at one period in the, say, Christmas where his advance is generally paid off. Very industrious and respectable.
William Reynolds (Farmer)	Deposit of deeds of property at Blacktoft on which he has since built, valued at £500.
Charles Singleton & Sons (Timber & Iron Merchants)	None. Their business of that nature means they receive their money once in the year where the advance has generally been paid off. The managing partner is William Singleton of Leeds in the firm of Harrison & Singleton, large timber merchants.
William Scholfield Esq. (Farmer)	Deposit of deeds at York. June 1850, security valued at £7,500.
John Sugden (Plumber & Glazier)	5 shares £175. Very respectable tradesman. 1850 security value safe at £500.
John Scholfield (Farmer, Horse Graziers & Dealers)	No securities given.
James Wainwright (Druggist)	Very respectable tradesman. Lives on his own property. 1850 safe for £1,000.
William Walker (Corn Miller)	Joint guarantee of his brothers John Walker, Hull and John Scholfield, Flaxfleet.
Nathaniel Wetherell (Farmer)	None. Advance of a temporary character in consequence of purchasing a considerable quantity of potatoes. 1850 safe for £300.

Source: Cash book, Howden branch, York City & County Banking Co (Y53).

Appendix 5.5 Securities for Customer Accounts
Ripon Branch, York City & County Bank, 1850-1862

Name of Customer	Security
B P Ascough (Tallow Chandler)	A very respectable family. Mr Auton would at any time be security if required. Advance only temporary. Limit of amount £350.
John Auton	Of considerable property. Purchased farm for £7,500 February 1862.
Henry Dean (Farmer)	No security. Is in receipt of £200 per year. Private property. £200 limit on account. Account closed 1851 due to customer moving to Doncaster.
W W Aspin	
Joseph Bateman & Son (Tailor & Draper	Deposit of deeds at York. Freehold property worth £600. Mr Bateman has insurance for £650 on his own life in the 'Victoria'. The policy of insurance is deposited. Limit £400.
Robert Blacker (Innkeeper)	Deed of assignment at York.
Joshua Bateman	Very respectable. Has a yearly income of £124 from private source.
John Britain (Brewer)	September 1851: this account may be credited £1,000 by executors.
C D Barstow	Limit of account £300. Annual payment to credit £200.
Rebecca Charnock	No security. Advance only temporary.
J R Coppin (Solicitor)	Has £100 in deposits.
Thomas Collinson (Police Officer)	Deposit of deeds £600.
Richard Darnbrough (Exors) (Farmer & Cattle Dealer)	No security. Is considered a very respectable party. Limit £1,000. Property worth £5,000 left the Walls family.
[late] W. Williamson (Exors)	
John H Fleetham (Chemist & Druggist)	No security. Has a promissory note for £70 from a brother in good employment in London. At Ripon a mortgage with power to enter for £200.
E Frudd	
John Fisher	Deposit of deeds for £3,000. Deeds at York. Worth £8,500. Limit £2,000.
Richard Greaves (Chemist)	Deposit of deeds for freehold property worth £600. Rental £34 per annum. Limit of account £500 at Ripon.
Greavesthorpe Property	Annual rent of £15 placed to credit of profit and loss. Present worth about £400.
Thomas Harlans (Grocer)	Deposit of deeds £200.
C Horn & Son (Draper)	
Edwin Hirst (Solicitor)	Assignment of policy in Yorkshire for £500 worth about £30 at Ripon.
John Huidle	Assignment of policy for £500.
William Holdsworth (Farmer)	Promissory note from Fisher of Masham £600. The

	advance considered temporary.
John Harrison jnr. (Brickmaker)	Deposit of Darlington Gas & Water shares for £100, about to be transferred to the Yorkshire Co for want of further advance. No other security to offer.
Alfred B Hill (Grocer)	Bond for £200 from Joshua Hill of Bramley near Leeds. Highly respectable.
Samuel Highwood	Deposit of deeds £1,300. Exchanged for £600.
William Jackson Jnr (Miller)	Considered very respectable by Mr John Lightfoot. Present advance temporary.
William Judson (Stationer)	No security. Of good family.
Robert Joneson (Farmer)	No security but good family and business as auctioneer.
John Kirk	Bond for £200.
Joseph Lambert (Gentleman)	Deposit of deeds worth £500 at Ripon.
John Lightfoot (Exors) (Brewer)	Deposit of deeds at York for about £1,800. Property in Micklegate. Gone to Swaledale Co. Has expended £1,500 in brewery at Masham.
W. Marshall (Grocer)	Account closed – objecting to pay any commission.
Thomas Lund (Farmer)	Farms, 500 acres.
Catherine Maister	Advance only temporary. Worth £1,000 per annum. Account as below by Messrs Maister.
Messrs E Maister	Income of £250 per annum.
George H Mallim & Sons (Grocer)	Could not pay commission.
Richard Nicholson (Solicitor)	Policies of life insurance at York – the only security.
James Nevis	Security for £60. Deposit of life policy £250.
William Henry Patchett (Clerk)	Limit £500. Life insurance for £1,000 in the Yorkshire Co and £1,000 in Eagle Co.
Revd Robert Poole (Revd at Cathedral)	No security. Ample property.
William Procter (Cattle Jobber)	Any advance is temporary.
W Place (Farmer)	Bond £200 George Place, of Worship Street Police, London.
Robert Robinson (Solicitor)	Deposit of railway certificate at Ripon. Very sufficient, say £1,300.
Christopher Rainforth (Farmer)	Deposit of deeds at York £500.
Capt. W Smith	No security. £5,000 in Great Northern debentures.
Thomas Seeker (Surgeon)	Deposit of deeds for £450.
Peter Stevenson (Farmer)	Deposit of freehold property at Easingwold £3,000 now at Ripon. Sold. No security, limit £1,000.
William Steel & Co. (Coachbuilders)	A guarantee from W. Day for £50. Steady and industrious. Limit £300.
Thomas L Scholfield (Farmer)	Joint bond £500. Assignment policy £500.
William Thwaites Jnr (Butcher)	Deposit house £800 at Ripon with mem. From W Thwaites of Harrogate for £1,000.
M Theakstone Jnr (Publican & Brewer)	Deposit of railway certificates and deeds of freehold property at Ripon, value £250. Limit of £300 required. £400 stock Leeds Northern.
William Thwaites (Farmer/Butcher)	Deposit of deeds of property worth £800 at Ripon. Also bond of Mr Wood for £500 and ?? of £200 from Blacker's Estate.

Union Hour Mile	Treasurer of Union Hour Mile J C Smale (York City agent). Advance of £150 temporary only.
Peter Walbran (Grocer)	No security. Of very good family. Limit £300.
Thomas Williamson (Varnish Maker)	No security. Director referee York.
Robert Williamson Jnr	10 bank shares. 5 bank shares deposited at Ripon.
William Williamson (Farmer)	Bought the property for £750, rental of £30 per annum. Sold to Mr Whitetoft.
William & Thomas Williamson	
Thomas Wright (Linen Draper)	Warrant of attorney taken of Mr Wright at York.
John Woodhouse (Linen Draper)	Deposit of deeds worth £300 situated at Whitby. Promissory notes from Mrs Scott for £200 to cover advance. Account closed being J C Smale's only bad debt in 14 years.
John Walker Jnr (Farmer)	Deposit of deeds worth £600, limit of account £1,000 and bond £400 at York. Limit £800. Also of £750 life policies.
William Wright (Farmer)	Deposit of deeds worth £300.
A Wilson (Farmer)	Deposit of deeds £500. House and property at Leeds.

Source: Cash book, Ripon branch, York City & County Bank (Y54).

Appendix 6.1 Agents and clerks listed by branch, York City & County Bank, 1830-1872

Boroughbridge

Surname	First Name(s)	Position	Start (Date)	Start (Year)	Finish (Date)	Finish (Year)
DRAGE	John Matthew	Agent	05-Aug	1833	23-Apr	1838
WIRELL	Robert	Agent	23-Apr	1838	26-Aug	1844
COMPTON	John Townsend	Jnr Clerk	18-Jun	1838	30-Mar	1840
PARKER	Thomas	Jnr Clerk	30-Mar	1840	09-Sep	1844
MOUNTAIN	Mark	Jnr Clerk	18-Jan	1841	26-Aug	1844
MOUNTAIN	Mark	Agent	26-Aug	1844		
BENSON	Charles	Clerk	09-Sep	1844		
SMALLWOOD	Mark Hall	Jnr Clerk	27-Nov	1848	06-Sep	1858
BAINBRIDGE	George	Clerk	06-Sep	1858	19-Sep	1859
BELLHOUSE	John / Sam*	Jnr Clerk	03-Oct	1859	26-May	1862
CASS	Edward	Clerk	05-Jan	1863		
LEAKE	George Turnbull	Clerk	06-Aug	1872	09-Sep	1872

* Mr. Bellhouse's first name referred to as Sam and John in the minutes.

Goole

Surname	First Name(s)	Position	Start (Date)	Start (Year)	Finish (Date)	Finish (Year)
CLOUGH	Thomas	Agent	25-Feb	1832	06-Aug	1838
LISTER	Francis	Agent	06-Aug	1838	22-Apr	1852
CATION	Archibald	Jnr Clerk	11-Jan	1841		
ROCKETT	John Humble	Clerk	17-Nov	1845	23-Sep	1854
SMITH	William	Agent	22-Apr	1852	23-Sep	1854
ROCKETT	John Humble	Agent	23-Sep	1854		(1876)
CLOUGH (JNR)	Thomas	Clerk	23-Sep	1854	24-Jun	1872
PEIRSON	Edward	Clerk	30-Dec	1856	26-May	1862
BELLHOUSE	Sam	Clerk	25-May	1862	21-Jan	1867
RICHARDSON	F	Clerk	21-Jan	1867		
NEWSTEAD		Clerk	30-Jan	1871	29-Apr	1872
WHEELHOUSE		Clerk	29-Apr	1872		
RICHARDSON		Clerk	23-Sep	1872		

Howden

Surname	First Name(s)	Position	Start (Date)	Start (Year)	Finish (Date)	Finish (Year)
CLOUGH	Thomas	Agent	08-Nov	1831	14-Dec	1868
LISTER	Francis	Asst Clerk	22-Nov	1831	06-Aug	1838
SMALE	John Clough	Clerk	20-Aug	1838	27-Nov	1848
CALVERT	Thomas	Jnr Clerk	27-Nov	1848		
NEWCOMBE	Edward	Jnr Clerk	21-May	1849	08-Nov	1852
STORRY	Edwin	Clerk	08-Nov	1852	14-Dec	1868
NEWSTEAD	Thomas	Clerk	23-Dec	1867	30-Jan	1871
STORRY	Edwin	Agent	14-Dec	1868		
DEW	George C	Clerk	08-Aug	1870	23-Sep	1872
LEAKE	George Turnbull	Clerk	23-Sep	1872		

Malton

Surname	First Name(s)	Position	Start (Date)	Start (Year)	Finish (Date)	Finish (Year)
COLLINS	Benjamin	Agent	14-Jun	1830	31-Jul	1837
RICHARDSON	William	Clerk	31-Dec	1832	26-Nov	1838
SMITH	John	Agent	31-Jul	1837	04-Apr	1870
BROWN	William	Clerk	26-Nov	1838	08-Jun	1840
SMITH	William	Jnr Clerk	08-Jun	1840	22-Apr	1852
PARKINSON	Joseph C	Clerk	10-May	1852	01-Jan	1855
PRESTON	Henry C	Clerk	18-Jan	1855	30-Dec	1856
HARRISON	John	Clerk	30-Dec	1856	07-May	1860
MORTON	Edward	Clerk	07-May	1860	04-Apr	1870
MORTON	Edward	Agent	04-Apr	1870	15-Jun	1872
WILKINSON		Clerk	31-Jul	1871	09-Sep	1872
WALKER	E H	Clerk			03-Jun	1872
CLOUGH (JNR)	Thomas	Agent	24-Jun	1872		(1880)
LEAKE	George Turnbull	Clerk	09-Sep	1872	23-Sep	1872

Middlesbrough

Surname	First Name(s)	Position	Start (Date)	Start (Year)	Finish (Date)	Finish (Year)
KIRBY	Edward	Agent	31-Jul	1871		
CHAPMAN	George	Clerk	31-Jul	1871		
BELLERBY		Clerk	13-May	1872		
WALKER	E H	Clerk	03-Jun	1872		

<u>Ripon</u>

Surname	First Name(s)	Position	Start (Date)	Start (Year)	Finish (Date)	Finish (Year)
FARRER	William	Agent	20-Nov	1837	31-Oct	1842
HARVEY	Robert Mark	Agent	31-Oct	1842		1845
KENDALL	William	Agent		1845	23-Oct	1848
MOUNTAIN	Mark	Agent Temp	30-Oct	1848	13-Nov	1848
SMALE	John Clough	Agent	13-Nov	1848	27-Dec	1871
PRESTON	Henry C	Clerk	23-Feb	1857		
COOPER	Alfred	Clerk	30-Mar	1863	08-Aug	1870
CHAPMAN	George	Clerk	06-Jun	1870	31-Jul	1871
DIXON		Clerk	04-Mar	1867		
LECKENBY	John Chester	Clerk	04-Apr	1870		
FOX	R Markham	Clerk	31-Jul	1871		
GATENBY	W	Agent	12-Feb	1872		

Scarborough

Surname	First Name(s)	Position	Start (Date)	Start (Year)	Finish (Date)	Finish (Year)
WILKINSON	B J	Agent	28-May	1832	18-Feb	1833
WILLIAMSON	Robert	Agent	01-Apr	1833	13-Oct	1845
PRICE	Spencer Cosby	Jnr Clerk	04-Apr	1836		
LECKENBY	John	Jnr Clerk	22-May	1837	13-Oct	1845
LECKENBY	John	Agent	13-Oct	1845		(1873)
FEARN	Charles	Clerk	17-Nov	1845		
WARD	Robert	2nd Clerk	10-Aug	1846		
CHARLESWORTH	John R	2nd Clerk	12-Oct	1846		
MORRELL	William Wilberforce	Clerk		1852	08-Nov	1852
RHODES		Clerk	08-Nov	1852	06-Sep	1858
SMALLWOOD	M H	Clerk	06-Sep	1858		
MOUNTAIN (JNR)		Jnr Clerk	09-Apr	1860		
COOKE	John S	Clerk	26-Nov	1860		
HARDCASTLE	John William	Clerk	10-Apr	1865		
WHITE	John Miles	Clerk	25-Jan	1868	23-Sep	1872

Selby

Surname	First Name(s)	Position	Start (Date)	Start (Year)	Finish (Date)	Finish (Year)
MORRELL	Robert	Agent		1831	06-Jan	1868
LISTER	Francis	Asst Clerk	22-Nov	1831		
SIMPSON	Thomas	Assistant	06-May	1833	06-Feb	1837
SMALE	John Clough	Jnr Clerk	06-Feb	1837	20-Aug	1838
SMITH	W R	Jnr Clerk	20-Aug	1838		
BROWN	William	Clerk	08-Jun	1840		
ABBEY	John H	Jnr Clerk	18-Sep	1843	06-Oct	1845
CLOUGH (JNR)	Thomas	Clerk	17-Nov	1845		
SMITH	William	Clerk	23-Sep	1854	07-May	1855
CUMBERLAND	George F	Jnr Clerk	09-Jan	1865	31-Jul	1871
HODGSON	Arthur	Jnr Clerk	02-Jul	1866		
MORRELL	William Wilberforce	Agent	06-Jan	1868		(1873)
STEWARD	Edward Batman	Clerk	04-Apr	1870	29-Apr	1872
NEWSTEAD		Clerk	29-Apr	1872		

Whitby

Surname	First Name(s)	Position	Start (Date)	Start (Year)	Finish (Date)	Finish (Year)
CRAMP	W H	Agent	10-Jan	1843	19-Aug	1851
RICHARDSON	Christopher	Clerk	15-May	1843	19-Aug	1851
RICHARDSON	Christopher	Agent	19-Aug	1851	31-Dec	1869
HARRISON	John	Jnr Clerk	02-Sep	1851	30-Dec	1856
COOPER	George L	Clerk	03-Mar	1856	01-Jun	1871
KIRBY	Edward	Clerk	30-Dec	1856	31-Dec	1869
KIRBY	Edward	Agent	01-Jan	1870	31-Jul	1871
RICHARDSON	F	Jnr Clerk	02-Nov	1863	21-Jan	1867
CUMBERLAND	George F	Agent	31-Jul	1871		(1873)
WILKINSON		Clerk	09-Sep	1872		
WHITE	John Miles	Clerk	23-Sep	1872		

York

Surname	First Name(s)	Position	Start (Date)	Start (Year)	Finish (Date)	Finish (Year)
SMALLWOOD	Edward	Jnr Clerk	28-Jan	1830	04-Feb	1851
HARVEY	Robert Mark	Jnr Clerk	05-Dec	1831	31-Oct	1842
GASKELL	William	Clerk	18-Jun	1832	18-Aug	1834
HEWBY / HUBIE	William	Jnr Clerk	06-Oct	1834	09-Jan	1837
SIMPSON	Thomas	Jnr Clerk	09-Jan	1837	10-Jun	1839
HARRISON	John	Jnr Clerk	24-Jun	1839		
COMPTON	John Townsend	Clerk	30-Mar	1840		
KIRBY	Edward	Jnr Clerk	31-Oct	1842	30-Dec	1856
CATION	Archibald	Clerk	17-Nov	1845		
CAPES	William	Jnr Clerk	15-Dec	1845	08-Jun	1846
VAN AIMENT	Augustine	Jnr Clerk	08-Jun	1846		
RIDPERTH	Michael Hope	Jnr Clerk	03-Jun	1849	02-May	1870
LEETHAM	Henry	Jnr Clerk	01-Jul	1851	23-Apr	1860
PARKINSON	Joseph C	Clerk	23-Feb	1852	10-May	1852
STORRY	Edwin	Clerk	23-Feb	1852	08-Nov	1852
MORRELL	William Wilberforce	Jnr Clerk	10-May	1852	?	?
MORRELL	William Wilberforce	Clerk	08-Nov	1852	06-Jan	1868
PRESTON	Henry C	Clerk	30-Dec	1856	23-Feb	1857
CUMBERLAND	William Simpson	Jnr Clerk	06-Apr	1857	02-Nov	1857
CUMBERLAND	William Simpson	Assistant	02-Nov	1857	23-Dec	1872
BAINBRIDGE		Jnr Clerk	19-Oct	1857	06-Sep	1858
RHODES		Clerk	06-Sep	1858		
DYSON	Meek	Clerk	03-Jan	1859		
DAVIS	Edwin	Jnr Clerk	31-Jul	1865		
WAINWRIGHT	Samuel	Jnr Clerk	20-Nov	1865		
BROGDEN	Richard	Clerk	23-May	1870		
WILKINSON		Clerk			31-Jul	1871
BELLERBY	Henry Thomas	Clerk	30-Oct	1871	13-May	1872
WHEELHOUSE	George	Clerk	08-Jan	1872	29-Apr	1872
DEW	George C	Clerk	23-Sep	1872		

All data extracted from Directors' Minute Books, York City & County Bank, 1830-1872 (Y1-Y7).

Appendix 8.1 Instructions to Branch Agents

Instructions to be observed in conducting the business of the branches of the York City & County Banking Co.

A. CUSTODY OF THE CASH, SECURITIES AND OTHER PROPERTY OF THE CO.

1. The branch agent is required to see that the cash, securities, &c. are locked up at the close of business each day, in the strong room or iron safe at the Branch, and the keys divided between himself and the chief clerk.

2. The duplicate keys of the strong room or iron safe are to be deposited for security at the Head Office of the company, unless some other arrangement be authorised by the Board for this and the preceding regulation. In all cases a receipt is to be taken from the person holding the duplicate keys, and a record kept of their place of deposit. Should the Branch Agent have any reason to doubt the security of the strong room or iron safe, either against fire of theft, he must report the same to the General Manager.

3. It is the duty of the Branch Agent to test, at once in each week, but at uncertain periods, the accuracy of the cash balance at his branch, and on all such occasions to initial both the Daily Balance Book, and Cash Book. Any deficiency in the cash in to be immediately reported to the General Manager, with full particulars of all the circumstances, and in the event of the Branch Agent omitting to make such report he will be held personally responsible for the amount.

4. All cheque books, deposit and other receipts, draft books, and ledgers are to be locked up every night.

B. ADVANCES

5. In all cases of application for advances or for leave to overdraw accounts, Form A, No. 219, is to be filled up and signed by the branch agent, and transmitted to the General Manager, and, except in special cases, which are necessarily left to the discretion of the Agent, but to be reported to the Head Office forthwith, the General Manager's assent must be received in writing before such advances or overdrafts are permitted. A Branch Agent must also be careful not to give any undertaking, either verbal or in writing to continue any overdraft, or to renew any loan upon a promissory note or bill of exchange, without the authority in writing of the General Manager, unless it comes within the limits of the discretion before mentioned.

C. DISCOUNTS

6. The Branch Agent having first satisfied himself of the responsibility of the parties, the discounting of ordinary trade bills for customers is left to his discretion, subject to the control of the General Manager from time to time. Branch Agents are prohibited from discounting accommodation bills, and they are also strictly forbidden to make any arrangement with either of the parties to any bill of exchange or promissory note discounted by, or lodged with, the branch, which might have the effect of releasing from the whole or any part of his liability, either the drawer, acceptor, or any endorser, of such bill or promissory note. It is desirable that Branch Agents should, as far as possible, ascertain the genuineness of the signatures of all bills offered for discount.

D. FAILURE OF CUSTOMERS

7. The failure of any customer of the Bank is to be immediately reported to the General Manager, stating the circumstances and the probable result and best course to be pursued. Should the Branch Agent have reason to suspect that any person who has become liable to the Bank is unable to meet his engagements, he should advise the General Manager without delay.

E. WEEKLY RETURN

8. A return to be forwarded to the Head Office weekly, on the forms provided for that purpose, giving full particulars of every bill discounted during the previous week, the balance of every account at the Branch, and all other particulars according to the forms. The Branch Agent will be held responsible for the correctness of such weekly returns in every respect.

9. A list of loans must be entered individually in an Appendix to the monthly returns and the last returns for each month must bear the Branch Agent's signature.

10. The names and amount under discount for persons not having current account with the Bank must also be entered individually in the monthly return after the sundry accounts. Enquiries should, as an established rule, be made as to the responsibility of every person who becomes liable to the Bank, and the reply to every enquiry made during the previous week be registered in a book for the purpose and be entered in the weekly return.

11. A return of the notes of the Bank in circulation at each Branch, signed by the Agent, must accompany each Saturday's evening's letters.

12. A book shall be kept in duplicate, one copy at the Head Office, and the other at the Branch containing the limits of each overdrawn account. It is an important part of the Agent's duty to see that these limits are not exceeded.

13. A list of all the accounts above the limits assigned to them should accompany each monthly return, also all loans the repayment of which is overdue.

F. SECURITIES

14. All deeds &c. proposed to be deposited as security for advances must as a general rule be examined and approved by the Bank solicitors, and, if necessary, a valuation by a competent surveyor must be made. Immediately on the deposit of any securities with the Bank, a proper memorandum of deposit should be duly signed by the party so depositing them. Full particulars of the same must be entered in the Register of Securities Book, and a return made at once to Head Office upon Form C.20 "securities deposited". Upon the withdrawal of any securities a proper receipt to be taken from the customer, and a return to be made to Head Office upon Form D.21 "securities withdrawn".

15. The Branch Agent is required to see that all properties, the deeds of which are deposited with the Bank as security, are sufficiently insured against fire. He is also required to take care that the premiums upon life policies held as security are duly paid, and the last receipt attached to the policy, and from time to time the receipts of the fire policies likewise.

16. In the event of the death, or any unfavourable alteration in the circumstances of any one who has become surety to the Bank, the same, on its coming to the knowledge of the Branch Agent, is to be communicated to the General Manager, also the death or change of residence of any Shareholder of the Bank.

G. LEGAL PROCEEDINGS

17. No legal proceedings must be instituted without the written authority of the General Manager, and all law expenses incurred in examining securities &c., for customers, must be forthwith charged to their debit. In any legal proceedings in which the local solicitors may require further assistance it will be understood that the solicitors of the Company at York will afford such assistance.

18. The Branch Agents are authorised, by virtue of their appointment, to sign bills of exchange, letters of credit, bank notes and deposit receipts of their own Branch on behalf of the Company; but care should be taken that these documents should only be signed after they have been filled up, and not in blank. No Branch Agent is authorised to sign any legal documents, or make affidavits in proof of debts, or for any other purpose, on behalf of the Public Officers of the Bank, unless under the instructions of the General Manager on their behalf.

H. PERSONAL CONDUCT OF THE OFFICERS OF THE BANK

19. The Directors rely upon every Branch Agent conducting himself with a due regard to the responsibility which attaches to him as the representative of the Bank in his locality. Every officer of the Bank is required to abstain from transactions of a speculative character in shares, stocks &c. By speculation is understood the buying or selling stock or shares without intending to complete such purchase or sale except by settling the difference on the account day, or the purchasing stocks or shares and paying for them with borrowed money. All private loans between customers and officers of the Bank are especially to be avoided. No agent of the Bank shall engage in any business except that of the Company, or accept any appointment or office of profit, unless under special circumstances, to be previously approved in writing from the General Manager in the name of the Directors.

20. Should a Branch Agent have reason to believe that any clerk at his Branch is contracting debts beyond his ability to pay, or that he is engaged in any speculation, or in any other business than that of the Company, or is addicted to gambling or intemperate habits, or otherwise not conducting himself respectably, he is required immediately to inform the General Manager therof, of the information of the Directors.

21. The Agents of the Bank are particularly cautioned with regard to their conduct in times of local excitement, or political and party conflict. As the customers of the Bank must necessarily represent all varieties of opinion, and the influence of the Agent is to a considerable extent derived from his position as its representative, the utmost care should be observed that this influence is not used on behalf of any party, and the Agent should confine himself to the unostentatious exercise of his electoral or other public duties.

22. No advances must be made to any officer of the establishment, and no Agent is permitted to overdraw his account with the Bank at his own Branch.

I. DECLARATION OF SECRESY

23. In accordance with the stipulation of the deed of settlement of the Company, a declaration of secrecy is required to be signed by every officer of the Bank, which shall be in the following form:

    Declaration of Secresy
    "I, the undersigned, an Agent [or Clerk] of the York City & County Banking Company, do hereby declare that I will keep secret and inviolate the knowledge of the affairs of the above Company and of the Customers thereof which shall come under my cognisance as such Agent [or Clerk] of the said Bank, and will not in any way, or at any time, except when engaged in the said Company's business, make the same a subject of comment or remark."

24. Every Branch Agent is requested to bear in mind that the communications received by him from the General Manager from time to time, relating to the affairs of the Company, must be regarded as strictly confidential, and for his own information and guidance only.

J. ATTENDANCE

25. A book is to be kept, in which the Agent and Clerks will, every morning, sign their names, with the date and precise time of signing as indicated by the Bank clock. Should business require the absence of the Agent or any of the Clerks, such absence is to be recorded with the cause. No officer of the Bank must absent himself from his duties without reporting such absence to the General Manager. Branch Agents are authorised to grant leaves of absence to their Clerks for periods not exceeding one day, and to arrange the clerks' annual vacation subject to continued responsibility and to such arrangement being made as will prevent material inconvenience in carrying on the business of the Branch.

26. The Agent will be allowed, and required to take, an annual vacation of fourteen days, during which time he will be relieved by the Branch Inspector, who must have access to all the books of the Company.

L. STATIONERY

27. Supplies of stationery must be obtained periodically from the Head Office, where the necessary forms &c. are kept.

M. SALARIES

28. The salaries will be forwarded by the General Manager monthly, and receipts to be duly returned to him for the same by each Agent, signed by himself and the Clerks at his Branch.

N. PETTY EXPENSES

29. To this account shall be debited all charges for carriage of parcels, telegrams, and other small payments, but no charges for any extraordinary outlay shall be allowed without authority from the Head Office. A book is to be kept for the entry of addresses of all letters posted, showing the amount of postage stampls used.

O. ESTIMATES

30. Should any alterations, repairs, or office furniture be required at the Branch, a statement of the proposed expenditure, accompanied by an estimate, shall first be submitted by the General Manager for the sanction of the Directors.

31. The Clerks throughout the establishment are absolutely prohibited from erasing figures, either in the Bank books or the pass books of customers. When a mistake occurs the pen must be run through the figures, and the correct amount written above.

P. BOOKS

32. The Branch Agents are required to see that the Books are neatly and accurately kept, and are held responsible for this being done; and the instructions received from the Head Office, or from the Branch Inspector during his official visits, with relation thereto, are to be strictly observed in conducting the business of the Bank. It will be the duty of the Branch Inspector to report to the Directors from time to time on the way in which these instructions are attended to.

33. Each cashier is held responsible for the accuracy of his cash, but the Agent is authorised to open an account, called "Cash Error Account", to which errors in cash which cannot be detected may be entered, and the balance dealt with yearly at the discretion of the Board.

Q. CORRESPONDENCE

34. All communications with the Head Office on the business of the Bank are to be addressed within to the General Manager, and outside to the "York City & County Bank, York".

35. The Agents are encouraged to report from time to time any information or suggestions which they may consider would promote the interests of the Bank.

William Wilberforce Morrell, 30 December 1873

Appendix 10.1 Advances at Middlesbrough branch, York City & County Bank, 1872-1880

Date advance granted	Borrower name	Amount
07/01/1873	Reverend H V Moyle	
07/07/1873	Erismus Co.	£8,000.00
21/07/1873	Scoria Brick Co.	£500.00
21/07/1873	Chemical Co.	£1,500.00
21/07/1873	John Hollings	£830.00
28/07/1873	Dobby	£100.00
06/08/1873	W Wilkinson	£200.00
11/08/1873	Hardcastle	£600.00
11/08/1873	Brentnall	£1,200.00
22/09/1873	J Dixon	£1,000.00
22/09/1873	Joseph Allison	£200.00
22/09/1873	V Selderen	£100.00
22/09/1873	J E Thorold	£175.00
22/09/1873	J Frances	£400.00
22/09/1873	Preston Grange Colliery Co.	£1,200.00
06/10/1873	Blackburn	£700.00
06/10/1873	Main	£500.00
20/10/1873	C S Smith	£200.00
20/10/1873	J Allison	£300.00
03/11/1873	Scoric Brick Co.	£500.00
03/11/1873	J Lloyd	£200.00
03/11/1873	J Watson	£400.00
24/11/1873	J Ireland	£8,000.00
15/12/1873	Blackburn	£250.00
15/12/1873	Blackburn	£400.00
15/12/1873	R Dixon & Co.	£50,000.00
15/12/1873	R Jaques & Co.	£3,000.00
15/12/1873	R Jaques & Co.	£17,000.00
15/12/1873	R Jaques & Co.	£2,000.00
05/01/1874	Pearce & Thompson	£200.00
13/01/1874	Crewdson & Co.	£2,000.00
13/01/1874	Erismus Co.	£5,000.00
13/01/1874	J M Pearson	£500.00
13/01/1874	W R Graham	£1,400.00
13/01/1874	W R Graham	
27/01/1874	Henry Jackson	£250.00
27/01/1874	T Humble	£200.00
27/01/1874	J France	£600.00
03/02/1874	M Jones	£650.00
03/02/1874	J Summers	£400.00
09/02/1874	R Gill	£1,100.00
16/02/1874	Thomas Watson	£400.00
16/02/1874	Rob Abbey	£200.00
16/02/1874	J J Wilson	£150.00

16/02/1874	Jon Thompson	£1,000.00
02/03/1874	A Skinner	£200.00
09/03/1874	Preston Grange Colliery	£20,000.00
09/03/1874	W Readman	£100.00
23/03/1874	Harrison & Bargate	£600.00
23/03/1874	William Pollitt	£600.00
07/04/1874	Reverend B Stubbs	£1,000.00
13/04/1874	Elmer & Co.	£1,000.00
20/04/1874	Inglis	£500.00
04/05/1874	William Richards	£2,000.00
18/05/1874	W G Keighley	£400.00
18/05/1874	F Ireland & Co.	£1,000.00
18/05/1874	Rob Long	£500.00
27/06/1874	H Taylor	£1,000.00
27/06/1874	Barnett & Sons	£500.00
11/06/1874	Swert Hjerleid	£400.00
11/06/1874	Swert Hjerleid	£6,000.00
22/06/1874	James Taylor	£10,000.00
29/06/1874	R E Sharp	£700.00
29/06/1874	Carter & Calvert	£3,500.00
29/06/1874	Greenbank Estate	£2,000.00
29/06/1874	South Bank Gas Co.	£1,000.00
29/06/1874	Joseph Allison	£300.00
06/07/1874	J Dixon	£2,000.00
06/07/1874	J Hedley	£600.00
20/07/1874	Alex Hedley	£200.00
20/07/1874	Rob Rennison	£100.00
10/08/1874	H Harkewitz	£1,000.00
10/08/1874	Jno. Lloyd	£1,100.00
10/08/1874	T Hicks	£500.00
10/08/1874	Sam Leach	£150.00
17/08/1874	J Jordison	£600.00
17/08/1874	Hjerleid & Co.	£1,000.00
07/09/1874	Joseph Faulkner	£400.00
07/09/1874	W Coates	£600.00
14/09/1874	Bartholemew Waite	£600.00
14/09/1874	Wain & Geary	£2,500.00
14/09/1874	Andrew Brown	£2,100.00
14/09/1874	Francis Lewis	£200.00
21/09/1874	B Wormersley	£300.00
21/09/1874	J Van Geldren	£100.00
21/09/1874	Wain & Geary	£3,000.00
21/09/1874	Raylton Dixon	£3,000.00
21/09/1874	Wilkinson & Pounder	£800.00
28/09/1874	A Brown Jnr.	£2,900.00
28/09/1874	Jordison Bros.	£1,000.00
28/09/1874	Charles Hodgson	£200.00
06/10/1874	D G Smith	£100.00
06/10/1874	W B Webb	£1,400.00
12/10/1874	Cleveland Building Society	£1,200.00

12/10/1874	H Hedley	£500.00
19/10/1874	R Dixon & Co.	£60,000.00
19/10/1874	E Manners	£2,000.00
26/10/1874	Emmanuel Elmer	£1,000.00
26/10/1874	Thomas Thornton	£1,000.00
26/10/1874	Samuel Leach	£2,000.00
26/10/1874	Buck & Dixon	£800.00
02/11/1874	J Hedley Jnr.	£500.00
02/11/1874	J D Blackburn	£700.00
02/11/1874	Joseph Dean	£800.00
02/11/1874	Jno. Clark	£1,500.00
02/11/1874	Guy Blacklock	£500.00
02/11/1874	Preston Grange Colliery Co.	£12,000.00
09/11/1874	Guy Blacklock	£1,000.00
09/11/1874	Robert Calvert	£200.00
16/11/1874	Thompson & Baines	£700.00
23/11/1874	J M Pearson	£1,200.00
23/11/1874	R Dixon & Co.	£5,000.00
23/11/1874	Janson & Co.	£30,000.00
08/12/1874	Rob Punch	£300.00
14/12/1874	Jno. Braithwaite	£1,000.00
14/12/1874	Jno. Hedley Jnr.	£100.00
21/12/1874	Bedford & Davis	£200.00
21/12/1874	George Bainbridge	£350.00
06/01/1875	Jno. Mills	£700.00
06/01/1875	Middlesborough Bank	£200.00
06/01/1875	H Edwards	£150.00
18/01/1875	J W Bamberger	£1,537.00
18/01/1875	Sam Leach	£600.00
18/01/1875	J & A Summers	£600.00
24/01/1875	George Main	£700.00
24/01/1875	Leach & Thompson	£600.00
03/02/1875	B Waite & Gill	£1,700.00
03/02/1875	G G Hornsby	£500.00
08/02/1875	Hilton Bell	£200.00
08/02/1875	W A Stevenson & Co.	£20,000.00
16/02/1875	James Kirk	£2,500.00
16/02/1875	G E Dixon	£600.00
16/02/1875	Josephus Spence	£1,000.00
16/02/1875	Samuel Fenteman	£500.00
16/02/1875	Rob Mills	£400.00
16/02/1875	Jno. Clark	£500.00
16/02/1875	T Carter	£300.00
22/02/1875	George Handson	£100.00
22/02/1875	F Cunningham	£1,200.00
02/03/1875	W B Webb	£200.00
02/03/1875	R C Johnson	£500.00
02/03/1875	B Hopper	£250.00
15/03/1875	Jno. Lloyd	£650.00
22/03/1875	S Davie	£500.00

22/03/1875	J Brentnall	£250.00
22/03/1875	Henry Hudson	£500.00
22/03/1875	Michael Banks	£500.00
30/03/1875	Rob Long	£600.00
08/04/1875	Thomas Wardle	£1,000.00
08/04/1875	J Hedley	£160.00
08/04/1875	Alex Hedley	£300.00
08/04/1875	J Bowron & Co.	£4,000.00
12/04/1875	W Pollitt	£600.00
19/04/1875	Tongue & Hutton	£700.00
26/04/1875	S E Thorold	£400.00
03/05/1875	F B Ireland	
03/05/1875	Luke Thompson	£1,000.00
24/05/1875	Ingham, Copley & Co.	£750.00
14/06/1875	Thomas Agar	£500.00
28/06/1875	Crozier & Thompson	£650.00
09/08/1875	F Betts	£4,000.00
09/08/1875	Preston Grange Colliery Co.	£5,000.00
09/08/1875	Britannia Iron Co. Ltd.	£20,000.00
16/08/1875	Abbey's Exors.	£1,800.00
20/09/1875	Joseph Allison	£1,000.00
29/11/1875	R Mills	£409.00
29/11/1875	Greenbank Estate	£1,000.00
08/12/1875	S G Dixon	
20/12/1875	R Dixon & Co.	£2,086.00
20/12/1875	W M Wright	
10/01/1875	W A Stevenson	£3,200.00
21/02/1876	J J Wilson	£100.00
21/02/1876	Chipchase & Harkewitz	£1,000.00
21/02/1876	F Cunningham	£1,200.00
21/07/1876	Jonas France	£1,600.00
21/02/1876	E Manners	£2,500.00
21/02/1876	E Watteau	£1,500.00
28/02/1876	W A Stevenson	
07/03/1876	James Bulmer	£200.00
07/03/1876	James Bulmer	£500.00
07/03/1876	J C Sills	£600.00
07/03/1876	W Harrison	£980.00
13/03/1876	J Wood	£400.00
20/03/1876	William Coates	£800.00
20/03/1876	J Clark	£400.00
27/03/1876	George Chambers	£800.00
03/04/1876	Greenbank Estate	£2,000.00
10/04/1876	R Potter	£1,200.00
15/05/1876	Britannia Co. Ltd.	£15,000.00
29/05/1876	J H B Pearson	£200.00
26/06/1876	Britannia Iron Co.	£1,100.00
10/07/1876	F Brentnall	£500.00
10/07/1876	Charlton & Gill	£500.00
31/07/1876	R Dixon & Co.	

31/07/1876	J B Walker & Co.	
31/07/1876	George Main	£300.00
31/07/1876	Jno Jordison	£200.00
14/08/1876	Bowron & Co.	£1,000.00
28/08/1876	Lackenby Iron Co.	
28/08/1876	Swan, Coates & Co.	
04/09/1876	H J Parrington	£800.00
11/09/1876	J & H Chapman	£400.00
11/09/1876	Smith & Son	£600.00
18/09/1876	Tees Bottle Co.	£2,000.00
18/09/1876	C S Smith	£250.00
18/09/1876	E Manners	£400.00
09/10/1876	Chemical Co.	£2,000.00
09/10/1876	Scoria Brick Co.	£400.00
16/10/1876	C Foster & Co.	£900.00
06/11/1876	Rob Punch	£800.00
13/11/1876	J Mills	£789.00
13/11/1876	W Chipchase	£1,120.00
13/11/1876	Henry Staniland	£200.00
13/11/1876	H. Prov. & Building Society	£250.00
13/11/1876	F S Brentnall	£800.00
22/01/1877	Owners of SS 'Wastdale'	£1,000.00
22/01/1877	J Braithwaite (Trustee & Committee of Chipchase's Estate)	£500.00
29/01/1877	Britannia Iron Works Co. Ltd.	£1,000.00
05/02/1877	Britannia Co.	£1,000.00
18/12/1876	Mr C E Muller	£5,000.00
18/12/1876	J J Wilson	£400.00
15/01/1877	Britannia Co. Ltd.	£1,000.00
22/01/1877	Britannia Co.	£1,000.00
05/02/1877	E Manners	£900.00
05/02/1877	Messrs Kitt, Loam & Brentnall	
27/02/1877	Thomas Fenwick	£50.00
05/03/1877	Saltburn Extn. Co. No2	£1,200.00
09/04/1877	Joseph Allison	
30/04/1877	Wild & Davis	£300.00
25/06/1877	Jonas France	£1,580.00
02/07/1877	Charles Hodgson	£365.00
17/09/1877	H Chapman	£400.00
24/09/1877	J Dixon	£2,000.00
24/09/1877	W R Hopkins (guarantor of R Dixon & Co)	
29/10/1877	Hex & Gunn	£238.00
26/11/1877	Mr Brentnall	£2,500.00
03/12/1877	Joseph Allison	£723.00
10/12/1877	Dr Glen	£500.00
24/09/1877	J Dixon	£3,000.00
14/01/1878	J D Blackburn	£678.00
28/01/1878	T A Bulmer & Co	£450.00
11/02/1878	T Brentnall (Exors)	£1,000.00

11/02/1878	Ingham Copley & Co	£1,050.00
18/02/1878	Bedford & Co	£219.00
04/03/1878	Job Sturdy	£700.00
11/03/1878	R Dixon & Co	£10,000.00
01/04/1878	Chalmers, Betts & Co	£4,691.00
08/04/1878	John Wake	£180.00
29/04/1878	Alonzo Taylor	£44.00
29/04/1878	Pearson Bros	
13/05/1878	T S Malerly (?)	£100.00
27/05/1878	E Wheeler	
27/05/1878	George Chambers	
22/07/1878	Rob Robinson	£137.00
23/09/1878	William Bulmer	£850.00
30/09/1878	B Wormersley	£268.00
30/09/1878	Thomas Drewery	£150.00
30/09/1878	Pearson Bros	£500.00
07/10/1878	Petch Harrison Jnr	£100.00
28/10/1878	Gilkes Wilson & Co (Exors)	£1,670.00
18/11/1878	W H Burnett	£760.00
16/12/1878	Gilkes (Exors)	£1,700.00
06/01/1878	Pearson Bros (Exors)	£855.00
10/03/1879	William Bulmer	£200.00
10/03/1879	Middlesborough Building Society	£4,500.00
31/03/1879	Owners of SS "Abeona"	£750.00
19/05/1879	Lloyd & Co	£8,468.00
19/05/1879	Isaac Wilson MP	£3,083.00
19/05/1879	W R J Hopkins	£3,006.00
19/05/1879	C M E Schmitz	£19,634.00
08/09/1879	George Bainbridge / John Braithwaite	£1,000.00
22/09/1879	George Bainbridge	£1,000.00
27/10/1879	R Potter	£700.00
27/10/1879	Edward Hutchinson	£3,000.00
12/01/1880	R Dixon & Co	£6,000.00
12/01/1880	Jackson & Harkewitz	£500.00
23/02/1880	J W Williams	£1,050.00
17/05/1880	John Sutton	£460.00
23/08/1880	R Gill	£500.00
15/11/1880	J Knott	£300.00
29/04/1874	Jaques & Co.	
30/03/1875	Lackenby Iron Co.	
20/09/1875	Jaques & Co.	
11/10/1875	R Dixon & Co.	£6,500.00
29/11/1875	Erimus Iron Co.	
08/12/1875	Erimus Iron Co.	
07/02/1876	Britannia Iron Co. Ltd.	
24/04/1876	R Dixon	£6,500.00
22/05/1876	Britannia Co. Ltd.	£8,425.00
14/05/1877	Britannia Co.	
11/06/1877	Britannia Iron Co.	

11/11/1878	R Dixon & Co / J H Blackburn	
13/12/1880	Mr Blackburn / R Dixon & Co	

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