THE YORK BUILDINGS COMPANY

A CASE STUDY IN EIGHTEENTH CENTURY CORPORATION MISMANAGEMENT

VOL. 2.

A.J.G. Cummings

Thesis submitted for the Degree
of Doctor of Philosophy of the
University of Strathclyde
1980.

Department of History
December 1980.

BEST COPY

AVAILABLE

Variable print quality

CHAPTER 5.

THE LANDOWNING COMPANY.

Throughout the course of the 18th century, agriculture continued to be the backbone of both the British economy and society. Land was the basis of the wealth of the country's greatest families and control of the land brought with it a great deal of political power. Thus by moving into the ownership of landed estates, the York Buildings Company left the narrow confines of the commercial world of the city of London and stepped out into the wider national arena. In England the venture into landownership was small, resulting in the purchase of only one estate, that of Lord Widdrington in Northumberland. Little information has come to light on the company's activities here, but it seems likely the company's impact on the area was comparatively slight. In Scotland the matter was somewhat different. Large estates were acquired following the dispossession of rebels after the Jacobite rebellion of 1715. Scotsmen proved unwilling to risk the opprobium of the dispossessed families, their powerful relations and even the tenantry, many of whom were still fiercely loyal to their old masters.[1] By filling the vacuum so created, the York Buildings Company added considerably to the problems it was to face over the years. The involvement of John Cockburn of Ormiston made it natural that in the early years the company would look to improving methods to enhance its assets. But as time progressed and problems grew, such measures were abandoned

---

1. *Murray, York Buildings, pp.17,35.*

and as the company lost control of the estates to its annuitants, the difficulties became greater. Attempts were made to exploit the industrial potential of the estates but again these ran into financial and managerial difficulties. In Scotland too, there were social obligations to landholding, particularly concerning such factors as the school and the kirk and these were often imcompatible with control by a remote London corporation. The political aspects of landholding meant that the company became involved with Lord Milton establishing a clearly defined link between the Scottish establishment headed by the Duke of Argyll and Lord Ilay and the wider aspects of national patronage. Land was the only major tangible asset purchased by the company apart from the waterworks. Thus the company's role in this respect requires detailed examination as the disposal of land was ultimately to prove the solution to many of the company's problems. The York Buildings Company, by dint of its acquisition of estates became interwoven into the wider fabric of Scottish society and the implications of its actions in this sphere will, after an examination of the factors surrounding their purchase and payment, be examined in the context of each of its Scottish estates.

1 Purchase and Payment of Estates.

The principal aim of the syndicate led by Case Billingsley who took over the struggling York Buildings Company in 1719, was

the acquisition of estates forfeited in the 1715 Jacobite rebellion, as the *basis for providing funds for a life annuity scheme. Such a project had been in the minds of a group of London speculators before 1719, though its exact origins are uncertain.*[2] *The government was probably aware of such an interest, as the act of 1717 vesting the estates in the hands of commissioners to bring them to sale, stipulated that bodies corporate, other than the commissioners themselves, could become purchasers.*[3] *There was a precedent for this action. In 1702, the Sword Blade Company, operating outside its original functions, purchased Irish estates which had been forfeited following the revolution of 1688.*[4] *A second act of parliament, in 1719, permitted the owners of the lands to issue annuities up to the annual value of their holdings.*[5] *It is possible this act was passed as a result of pressure by Billingsley and his associates.*[6]

The syndicate took its first active steps to secure the estates before the negotiations for the takeover of the York Buildings Company were completed, and the new subscription for the £1.2m was announced.[7] *Robert Hackett, to be one of the directors of the newly reconstructed company,*[8] *and John Wicker, about whom nothing is known, went north to Edinburgh for the first group of sales which were due to take place in October 1719. Estates*

---

2. <u>Vide supra</u>, p.33.
3. 4 Geo.I.c.8.
4. Scott, <u>Constitution and Finance</u>, Vol.3,pp.436-437.
5. 6 Geo.I.c.24.
6. <u>Vide supra</u>. p.33.
7. <u>Vide Supra</u>. p.35.
8. PRO TI/252/52, Deposition of Robert Hackett.

purchased at this time were those of the Earls of Winton and Panmure, Viscount Kilsyth and Mr. Craw of East Reston, at a total price of £129,065, before any deductions were allowed.[9] *The estate of East Reston was not purchased by Hackett and Wicker but by an Edinburgh lawyer James Daes on behalf of a Mr. Ninian Hume, who transferred his purchase to the company.*[10]

The difficulties faced by the government in assessing the value of the forfeited estates, and bringing them to sale, had been exacerbated by relatives and friends of the former owners.[11] *This is most clearly seen in the sale of the Panmure estate which was to be sold by public auction on 9 October 1719. Hackett and Wicker were present at the sale on behalf of the company. Before the sale could commence, Henry Maule, brother of the late Earl of Panmure, and several friends objected to its being held. Hackett and Wicker stated that, despite threats, they were willing to bid the upset price of £58,000 in order, as Hackett later testified, to "take the said estate out of the hands of persons who had been so lately in actual rebellion against his Majesty". Henry Maule, together with his friends, thereupon left the sale. James Maule, servant of Henry Maule's son, remained behind to influence the bidding. Hackett claimed that James Maule forced the price up by £1,840 before his credentials were called for and he was asked to prove that he could find security, or pay the price. On his being unable to do so, Hackett and Wicker were declared*

9 *RHC, Vol.I,p.595.*
10 *Murray, York Buildings, pp 22-23.*
11 *Ibid.,pp.8-16.*

purchasers at a price of £60,400.[12] *When it came to drawing up the documents of sale between the commissioners and Hackett and Wicker, the latter objected to the excess in price caused by Maule's bidding. As this meeting took place after twelve o'clock on Saturday night, the commissioners said that they could not alter the documents and that if they were changed, the deed would have to be drawn up again. The commissioners therefore persuaded Hackett and Wicker to accept the document as it stood saying that they would allow the £1,840 as a deduction. Wicker's death and failure by the company to tell Hackett that payments were being made on account of this estate, meant that the company was unaware of its right to this deduction.. Consequently, this was still being claimed as an allowance against the price in 1725.*[13] *The tactics of the Maule family, therefore, had had the desired effect of causing trouble, although they had been unable to stop the sale.*

The following year the company was also active in the land market. A meeting of the general court held on 24 March 1720 discussed the possible purchase of estates to be sold.[14] *Before this, on 14 March, Christian Cole a promoter and director of the company, and also a promoter and director of the Royal Exchange Assurance Company,*[15] *agreed with the Commissioners of Forfeited Estates in England to purchase the estate of the Earl of Widdrington in Northumberland. The formal sale took place*

---

12 PRO T1/252/53, Deposition of Robert Hackett; Murray, York Buildings, p.23.

13 PRO T1/252/52, Account between Co. and Treasury and Deposition of Robert Hackett.

14 Daily Courant, 17 March 1720.

15 Special Report(1720), pp.18,66; Daily Courant, 1 July 1720; British Journal, 6 October 1722.

on 30 March 1720, the price being £57,100.[16] Press reports state that around the end of May or beginning of June 1720, the company bought the estate of Henry St. John, 1st Viscount Bolingbroke (1678-1751), in Berkshire.[17] The price paid was £52,200, well in excess of the upset price of £41,000. The annual rent was assessed at £1,800 which meant that the estate had been purchased at a price equivalent to twenty years rental.[18] No other sources consulted make any mention of the purchase of this estate. Indeed the Original Weekly Journal reported on 9 July that Bolingbroke was in Hanover to seek a pardon. Pardoned in 1723, Bolingbroke had his estates restored in 1725, although Walpole ensured that he could not take his seat in the House of Lords.[19] There is no evidence of the York Buildings Company ever paying any money on this purchase. The estate, therefore, appears to have been taken off the market, possibly while negotiations for Bolingbroke's pardon continued.

The major purchases in 1720 came in the Scottish sales which took place in October. The principal estates purchased were those of the Earl of Southesk and Earl Marischal in the North-east, and that of the Earl of Linlithgow at Callendar near Falkirk. Two smaller estates, those of Sir David Threipland of Fingask and Dr. Archibald Pitcairn were also acquired.[20] This marked the end of the York Buildings Company's purchases although it was rumoured in May and October 1721 that the company was set

---

16 PRO T1/248/53, Memorial of Forfeited Estate Commissioners to Treasury, 1724.

17 Applebee's Original Weekly Journal, 4 June 1720.

18 Weekly Journal or Saturday's Post, 4 June 1720; Weekly Journal or British Gazetteer, 4 June 1720.

19 Dorothy Marshall, Eighteenth Century England, (2nd ed.1974), pp.142-143.

20 PRO T1/244/61, Further Report of Comms. of Forfeited Estates in Scotland 1723-24.

to purchase some of the estates of the directors of the South Sea Company. It was also claimed in October that the company was about to acquire more of the forfeited estates in Scotland.[21] By this time, though, the state of the company's affairs was so bad that no such purchase could be seriously contemplated. There was to be one proposal that was actively canvassed in 1723, and this will be discussed below.

The cost of the forfeited estates purchased and the deductions allowed against them by 19 February 1725 are outlined in Table 5:1.

TABLE 5:1.

Net Cost of York Buildings Company Estate on 19 February 1725.

	Gross Price	Deductions	Net Cost
Panmure	£60,400	£8,075	£52,325
Kilsyth	16,000	51	15,949
Winton	50,300	678	49,622
East Peston	2,365	-	2,365
Marisbhall	41,172	19,201	21,971
Southesque	51.549	14,309	37,240
Linlithgow	18,752	1,337	17,415
Fingask	9,606	251	9,355
Pitcairn	849	-	849
Widdrington	57,100	-	57,100
	£308,093	£43,902	£264,191

SOURCE: RHC, Vol.I, p.595.

The question of the payment for their estates was one which was to haunt the company for many years to come. In the halcyon days of 1720, this seemed easy and indeed, before the extent of

21 Daily Journal, 16 May, 18 October 1721; Applebee's Original Weekly Journal, 21 October 1721.

of the 'Bubble' crisis became apparent, the company had been making payments on the estates, including one of £60,000 which was sent from London to Edinburgh on 1 September, escorted by a guard of fourteen Scots Horse Grenadiers.[22] *The company had tried to obtain permission to pay the money in London because of the difficulties involved in making payment in Edinburgh, but had been unsuccessful.*[23] *In the years following the crisis the tightening of credit, disputes over the deductions to be allowed and mismanagement by the company meant that balances on the estates remained unpaid. The company was charged interest on outstanding payments which added to the total cost.*

The major problem arose over exactly what was to be allowed in respect of the payment of the debts of the forfeited rebels. The company, in a petition to the Commissioners of Forfeited Estates in Scotland in October 1724, asked that deductions should be allowed as claimed by the company and that claims already paid by the company be allowed against the purchase price.[24] *The problem of paying claims arose mainly from the larger estates purchased in 1720, Linlithgow, Marischal and Southesk. The commissioners, in a letter to the Treasury in December 1724, claimed the trouble was that the company had taken over the debts on these estates but had not given exact particulars of the sums involved.*[25] *The commissioners claimed*

---

22 *Weekly Journal or British Gazetteer, 3 September 1720.*
23 *SRO GDI/170, York Buildings Co. Papers, Letter Co. to John Aislabie, July 1720.*
24 *SRO FEP 1715, Petition Co. to Commrs. of Forf. Estates in Scotland, October 1724.*
25 *PRO TI/258/51, Letter Commrs. of Forf. Estates in Scotland to J. Scrope, 31 December 1724.*

that around November 1724, the company owed a total of £102,417; of this £7,463 was for the estates purchased in 1719, £93,446 for the estates purchased in 1720 and £1,508 for the crop of 1719 on all estates except Fingask on which the total purchase price had already been paid.[26] Early in 1725, the company submitted figures to the commissioners who passed them on to the Treasury. The debts paid on the Marischal estate were stated to be £23,621, £17,265 on Linlithgow and £31,196 on Southesk. These amounts were in addition to the sums shown in Table 5:1. When taken together with other sums due at this time, the claims reduced the total debt on the Scottish estates to £31,702.[27]

Given the complications surrounding its affairs at this time, it seems natural that the idea of selling the company's estates as a solution to its problems should be proposed. During the latter part of 1725 and early 1726, Col. Samuel Horsey, who had been a director of the York Buildings Company since 1723,[28] visited Scotland on behalf of the company to make arrangements regarding the operation of the coal mines on its estates.[29] While in Scotland, he became involved in wide dealings concerning the estates. This amounted to the formation of a plan to sell those estates to the dispossessed families at a suitable price.[30]

26 PRO TI/251/76, Account of Commrs. of Forf. Estates in Scotland, after 21 November 1724.
27 PRO TI/252/17, Letters of Commrs. of Forf. Estates in Scotland to J. Scrope, 15 February 1725.
28 PRO C11/1816/1, Westmoreland v York Buildings Co.
29 Daily Post, 25 October 1725.
30 NLS. Fletcher of Saltoun MSS 16534, Letter S. Horsey to Lord Milton, 5 July 1726.

Among those with whom Horsey held discussions in Scotland was Andrew Fletcher of Saltoun, Lord Milton, who had been made a Lord of Session in 1724 under the patronage of Lord Ilay, Sir Robert Walpole's political manager in Scotland. It was Milton's task to look after Ilay's political interest in Scotland, with all its attendant patronage, and this made him a very important figure indeed.[31] *Moreover, Milton's mother, Margaret, was the daughter of Sir David Carnegie, 1st Baronet of Pitarrow.*[32] *On the death of his cousin the attainted 5th Earl of Southesk in 1730, Sir James Carnegie 3rd Baronet of Pitarrow became heir male of the Southesk family. Milton, who became Sir James's guardian on the death of his father (Milton's cousin) in 1729*[33] *was thus clearly involved with the family whom he regarded as being under his protection. Given Milton's role in Scotland, therefore, it is hardly surprising that Horsey should write to him saying.*

> *"It will be a particular satisfaction to me if I can be instrumental in the sale of the north country estates so as the relations of these families may be obliged."* 34

The Maule family which had made such an effort to block the sale of the Panmure estate to the company was also interested in recouping its property. Almost as soon as Horsey returned from Scotland, a representative of the family called on him in

---

31 *J.S. Shaw, 'Civic Leadership and the Edinburgh Lawyers in Eighteenth Century Scotland', Univ. of Stirling unpub.Ph.D. 1979, p.114. I am grateful to Dr. Shaw for permission to consult his thesis.*

32 *Ibid. p.112.*

33 *Sedgewick, Commons, Vol.1.p.530.*

34 *NLS. Fletcher of Saltoun MSS 16534, Letter S. Horsey to Lord Milton, 5 July 1726.*

London with a view to arranging such a purchase.[35] However, there appeared to be some opposition to the proposed general sale within the company as Horsey stated that the directors were not prepared to part with the Winton estate unless a very good offer was forthcoming.[36]

In order to promote his scheme, Horsey had himself elected governor at the annual election of directors on 1 October 1726.[37] The plan, however, could not be put into effect, partly because the company had not yet fully paid for the estates and arguments were still going on as to the exact amount and nature of the company's liabilities. The company could not give a valid title to any prospective purchaser. Another factor preventing the proposal from being implemented was the attitude of the annuitants who regarded the estates as security for the payment of their annuities. On 13 October 1727, the annuitants entered into an agreement with the company whereby the Scottish estates were conveyed to their trustees in order that the latter could collect the rents to ensure payment of their debts;[38] power to grant leases was to remain with the company.[39] On 9 June 1727, the general court gave the directors power to enter into agreements concerning the estates so long as this was consistent with the security of the annuitants.[40] This left the way open for the lease of parts of the estates still

35. Ibid.,Letter S. Horsey to Lord Milton,29 March 1726.
36 Ibid.,Letter S. Horsey to Lord Milton,28 May 1726
37 Ibid., Letter S. Horsey to Lord Milton,8 October 1726; British Journal, 8 October 1726.
38 SL CSP F29 24, Delavalle & ors. v York Buildings Co. 1788, Case of Appellants.
39 SRO GD 345/576/11, Grant of Monymusk MSS, Queries for Norfolk & ors.
40 SRO CS228/Y1/38, York Bldgs. Co. v Carnegie, Minute of 9 June 1727.

in the hands of the company.

What clearly emerges from this incident is that the York Buildings Company had to contend with strong vested interests in Scotland. The personal interests of one of the most powerful men in the country were clearly tied in with one of the leading forfeited families. The situation was not made any easier when the family of the late Earl of Panmure, who had died in 1723, placed themselves under Lord Ilay's protection sometime after George II's accession in 1727.[41] Both families were extremely anxious to recover their lost property, but despite their powerful connections were unable to do so before the 1760s, although as shall be seen they were able to obtain leases of part of their lands before this date.[42(a)] The interests of the London stockholders and creditors proved stronger than those of the Scottish establishment.

Another factor delaying the final settlement of the purchase price of the Scottish estates was a dispute over the allocation of the teinds of some of the estates, especially Winton. The company stated in a memorial in September 1726 that included in the purchase of several of the estates was the right to the teinds at nineteen years purchase. It was claimed that this was excessive as the normal rate was nine years purchase,[42] and also the company ran the risk of the

---

41 Sedgewick, Commons, Vol.2.p.248.
42 SRO FEP1715, Memo Co. to Commrs. of Forf. Estates in Scotland, 2 September 1726.
42(a) Vide infra., p.354.

burdens and obligations that went with the teinds being incréased. The company also claimed it ran the risk of losing the right to the payments without relief. Thus, the company asked the commissioners to provide it with evidence of its right to the teinds or grant an abatement in the price. The problem was that the teinds not only included sums due on the company's own estates, but those of other proprietors where the dispossessed person had gained the right to such payments. Some of these proprietors had brought actions in the court of session and obliged the company to sell the appropriate teinds back to them at six and nine years' purchase.[43] *In addition the company claimed to have suffered because of factors such as the rise of ministers stipends, that of the minister of the parish of Kinnell on the Southesk estate being cited as an example.*[44] *The company pressed their case strongly but initially this brought little response from the commissioners. On 31 December 1726, they decided that the company should receive no allowance on the fifth part of the rents that it claimed. The company was, however, to be allowed £34 on the price of the Winton estate on account of money spent on the process of valuation and sale of the teinds of the feuars of Tranent.*[45]

The Company did not let the matter rest there and lodged a complaint to the Treasury regarding the teinds of the Winton estate, where it was claimed that the Solicitor-General for

---

43 *SRO FEP.1715, Memo of Co. touching the teinds of the forf. estates purchased in Scotland, September 1726.*

44 *SRO FEP 1715, Memo of Co., 2 September 1726.*

45 *SRO FEP 1715, Copy of Minute of Commrs, 31 December 1726.*

Scotland was lodging a claim on behalf of the crown for these sums. The basis of the case was that the crown should have the teinds which in the seventeenth century had belonged to the Bishop of Edinburgh, in whose place the crown now stood.[46] *The Lord Advocate and the Solicitor-General for Scotland, giving an opinion to the Lords of the Treasury on 21 April 1727, stated that if the crown did have a right to these teinds, the commissioners could not sell them and that if the York Buildings Company had purchased any such teinds, they were entitled to an abatement of the price. As they had not seen the necessary vouchers, the law officers would not venture any opinions as to the amount of the allowance.*[47] *This did not help the company to receive a rebate and there the matter rested until 1731.*

The Scottish law officers also dealt with several of the company's other complaints upon which they had been trying to obtain a reduction on the price of the estates. The company had claimed that the coal and salt works on the Winton estate, which the commissioners had claimed were worth £1,000 per annum, would not yield that amount. The law officers, while upholding the company's claim, said the commissioners themselves had partly compensated for this by selling the works to the company for the equivalent of five years rent instead of the usual figure of 7 times the annual yield. They also dismissed the company's claim for the reduction of two years annual rent to be deducted under an act which provided that the tenants of dispossessed persons who had remained what

46 *PRO TI/25/265/9, Memo of York Buildings Co to Treasury, 14 January 1727.*

47 *PRO TI/259/7, Report of H.M. Advocate and Solicitor-General to Lords of Treasury, 21 April 1727.*

was termed "dutiful" could retain two years rent in their own hands. The law officers said it could not be proved that the tenants had remained "dutifull" nor had any claimed their rights. Thus the company's claims in this respect should be rejected.[48]

The Scottish estates, with the exception of Linlithgow, Marischal and Southesk were paid for by the early months of 1731. During January and February of that year, the governor, Col. Samuel Horsey was in Edinburgh to sign the necessary documents along with the Barons of the Exchequer of Scotland, who then made the arrangements to convey the estates to the company.[49] *The question of the teinds was also settled at this time. In 1731, Duncan Forbes, the Lord Advocate, in an opinion to the Barons of the Exchequer, said that as the commissioners had advertised the estates at a rental which included the value of the teinds, the company's right to them should be included in the charters. Forbes added that those persons, other than the dispossessed rebels, who felt they had a right but had not claimed it through the proper channels should no longer be entitled to do so. As to the rights of the crown over the company, Forbes said this had not been proved. As the company had had no reduction in price despite this possible claim, it should have its entitlement to the teinds incorporated in the charters. On 14 July 1731, the Barons of the Exchequer ordered that the company's right to the teinds be written in to the relevant documents.*[50]

---

48 *Ibid.*

49 *PRO TI/274/4, Abstract of Account of Purchase Money of York Buildings Co. Estates, 1731.*

50 *SL CSP 160;4, York Buildings Co. v Walsh 1778, Petn. of Walsh & ors. 28 November 1778.*

One incident in 1729 serves to highlight the social obligations the company faced as a landlord in Scotland and the complications of the relationship between the company and the crown when the former was a heritor and the latter patron of the local kirk. On 5 February 1729, George Fordyce, lessee of the barony of Belhalvie near Peterhead, wrote to the court of assistants as sole heritors to tell them of the death of Mr. Leslie the minister of the parish of St. Fergus and asking if any appointment of a successor could be delayed in order that Mr. Leslie's widow and children,who were in straitened circumstances,might receive half a year's stipend as charity. At the same time he asked the court of assistants to consider Mr. David Brown, a cousin of his wife, for the vacancy and presumably use any influence the company had with the government to secure the nomination as the crown was the patron of the charge.[51] *Horsey immediately consulted Lord Ilay who referred him to Lord Milton. It was part of Milton's job to see that those recommended for parishes where the crown was patron were suitable politically, and at the same time would not offend the local parishioners.*[52] *Fordyce envisaged that the parishioners would in fact petition to have a free choice of minister in accordance with the constitution of the Church of Scotland. Lord Ilay made it clear that the crown had no intention of letting anything or anyone upset what it saw as the right to the presentation, and therefore all*

---

51 NLS Fletcher of Saltoun MSS 16541, Letter S. Horsey to Lord Milton, 18 February 1729.
52 Shaw, 'Civic Leadership,' p.136.

of Milton's tact would be required. Horsey's concern was that the tenants would be satisfied with their minister, thus ensuring that no trouble accrued to the company from that quarter. At the same time he was anxious to ensure that the royal prerogative was not impaired.[53] *Two important points arise from this incident. In the first place it demonstrates that Col. Horsey clearly understood the complicated nature of the problems facing the company in Scotland and partly justifies his earlier, unsuccessful plan to sell the estates to rid the company of such entanglements. Secondly, because of actions such as this, the company was clearly drawn into the social and political fabric of Scotland in a way probably never envisaged by those who originally formulated the plan to buy the estates.*

Relations with the government continued to be strained over the payment on the three Scottish estates and Widdrington which were still outstanding. On 20 July 1741, the government was threatening the company with an enforced sale of the estates if they did not pay the balance. The threat was never put into effect. The case of the estate of Marischal was even more complicated and it was not until 1777 that the problems of purchase were finally resolved when the company lost an appeal which meant that the balance of the purchase price had to be paid to the government.[54] *The company had also been reluctant to pay the balance on the Widdrington estate. In 1725, the debt*

---

53 NLS Fletcher of Saltoun MSS 16541, Letter S. Horsey to Lord Milton, 18 February 1729.

54 SL CSP F32 18, York Buildings Co. v Advocate 1777.

on that property stood at £14,771 consisting of £8,930 principal and £5,841 interest.[55] *On 15 June, a further £2,568 was paid on account of the principal but nothing for outstanding interest. On 26 April 1733, the debt on this estate was certified at £6,362 principal and £6,489 interest to 15 June 1727. It was noted that interest at 5 per cent was due from that date on the outstanding capital sum but the figure was not calculated. Here too, the company was trying to have the price reduced, but by 1733 the case had not been settled.*[56]

Despite the difficulties faced by the company in the early 1720s there was one more attempt to extend the company's holding of land.[57] *In 1723 it was brought to the notice of the company by William Lilly, an associate of Case Billingsley, that waste land on the banks of the Dee in the counties of Chester and Flint, was available. The land, by this time under the control of the Prince of Wales, had been granted to one Francis Gell by William III, sometime in the 1690s, for a period of thirty-one years. This lease had passed through various hands and was nearing expiry. It cannot be determined if Lilly had a direct interest in the lease but he did agree to act on the company's behalf in obtaining it for the organisation. The fee was fixed at £3,000 which was to be paid by giving Lilly 200 tickets in the company's lottery and £18,000 of York Buildings Company stock. Accordingly, on 13 November 1723, a court of*

---

55 *PRO FEC1/Y2 , Forfeited Estate Commrs. Papers, Statement of York Buildings Company's Debt.*

56 *RHC, Vol.I, p.593.*

57 *The following section is based on EU Laing MSS 11.693, State of Process Sir John Meres v York Buildings Co.*

assistants empowered the governor and committee of treasury to use the company's cash as it saw fit, to complete the scheme. The company in a curious and inexplicable transaction disposed of £18,000 of stock at £14 per cent to finance the purchase of the remainder of the lease and ordered the same to be bought back at the best possible price, not exceeding £13.10/- per cent. On 26 November 1723, the decision to allow the directors to use the cash as they saw fit was endorsed by a general court. However, endorsement was conditional on sufficient funds being left to satisfy the company's major debts and was not to result in a call upon stockholders to finance it.

The company proceeded to send Robert Hackett to north-west England to examine the property. Hackett later stated that the land was 18 to 20 miles in length and varied in breadth from a half to one and a half miles. The land tended to be flooded by the tide and by the River Dee but Hackett believed that if it was embanked and enclosed it could be very fertile. He believed this was possible as the Corporation of Chester had taken over some adjacent land and had managed to let it at £6 per acre. Hackett was to discuss the scheme with local dignitaries and ensure their support, which he duly did. The company even went as far as petitioning the Chancellor of the Prince of Wales, Sir Robert Eyre, seeking a longer lease of 99 years because of the cost of the work involved.

The scheme ran into difficulties early in 1724. On 20 January, a general court limited the directors' freedom in handling cash by placing a limit of £10,000 on their dealings. On 27 March, Sir John Meres, the governor, informed the court that they were delayed due to a misunderstanding about the price and that although local officials were generally in favour of the scheme, they felt that given the length of the desired new lease, the sanction of parliament was advisable. This consent was never obtained. In any case, Hackett felt that Meres was not strongly in favour of the scheme, being of the opinion that the company could not afford to carry it out. In this view, Meres was quite correct. However, the fact that stock transfers had been necessary to acquire the holding of £18,000 worth required if Lilly were to be paid, gave Horsey, Meres' successor in office, the opportunity to accuse Meres of mismanagement. Such a charge, however, could not be substantiated as Lilly never received any stock. At a general court on 22 January 1724, his son Richard Lilly was pressing for his father's rights. However, Lilly did receive lottery tickets along with an associate, William Dale, on account of these lands which were the subject of much heated debate.[58] It was later claimed by the Edinburgh critic that the company lost a great deal of money through the scheme.[59] No details are mentioned, nor is any specific sum stated. It is probably fair to assume that Hackett's visit to Chester to

---

58 *HCJ, Vol.22,p.177.*
59 *Letter ffom a Gentleman at Edinburgh, (1727).*

solicit support must have accounted for a fair proportion of any loss.

Thus the York Buildings Company had, by the early 1720s acquired a great deal of land in Scotland and a small parcel in North-east England, and had been associated by rumour, or actively engaged in attempts to acquire larger holdings. The crisis of 1720 made the company's plans to operate their schemes very difficult. Cash flow problems led to payments for the estates becoming irregular. It is possible that many of the disputes over the amount of the debt, therefore, were calculated to postpone payment to give the company a chance to raise the requisite finance. Fortunately for the company, it was unsuccessful in extending its landholdings after 1720 as the lands that it did possess required greater managerial skills than the organisation could provide, if they were to be worked to their full potential. It is to the attempts to control and exploit the company's major asset that we now turn.

2 The Development of the Winton Estate.

The York Buildings Company, by their purchases in 1719 and 1720, had become the largest corporate landowner in Scotland. However, it faced many difficulties in attempting to realize the profits on its new assets. In the first place, there was the problem that in Scotland it was still the custom in many parts

of the country to pay agricultural rents in kind, which could have raised difficulties for a company operating at a distance. The company was aware of this, and right from the beginning, fixed the rents of leases it granted to be payable in money.[60] The difficulty of actually collecting rents and remitting the money to London was to remain a problem for the company. It also had to face a great deal of hostility in Scotland from those who resented its purchase of the estates.[61] All of this made it easier for the company's agents to line their own pockets by such methods as evicting tenants and arranging new leases for which they received payment.[62] Many of the problems faced by the company can be highlighted by an examination of its exploitation and management of the estate of George, 5th Earl of Winton, in East Lothian. This study is of particular importance because here, the company and its tenants attempted to take advantage of the industrial as well as agricultural potential of the estate.

The land was already the subject of industrial exploitation before it was acquired by the company. During the previous century, the Earl's predecessors had developed both the coal mines and the salt pans, estimated by the Commissioners of Forfeited Estates for Scotland to be worth around £1,000 per annum.[63] The net rental of the entire estate was £3,446 per annum. For this estate the York Buildings Company paid the

60 SL CSP F32;54, Thriepland v Walsh & ors. 1779, Case of Thriepland.
61 HCJ, Vol.22, p.184.
62 Letter form a Gentleman.
63 B.F. Duckham, A History of the Scottish Coal Industry, Vol.I. 1700-1815, (Newton Abbot, 1970), p.153; Murray, York Buildings, p.114.

gross price of £50,300 making it the third largest Scottish purchase, Panmure having cost £60,400 and Southesk £51,549.[64] *In 1679 the harbour at Port Seton had been expanded to take ships up to 300 tons.*[65] *The whole enterprise, therefore, was ripe for development.*

The company's first action was to enlarge the harbour at Cockenzie. The first cargoes of coal and salt despatched by the York Buildings Company were described as coming from Port Seton. Throughout the documents considered, "Port Seton" seems to have been used to describe both places as they were adjacent. In 1722, a waggonway, the first in Scotland, was constructed between the harbour and the mines at Tranent, around two miles away.[66] *The railway was built in response to the need for better transport facilities between the mines and the sea. Carriage before this was by packhorse, but the animals appear to have been small, with the result that carriers broke the coal into small pieces to make the loads easier to handle. This could have a distinct effect on prices and demand as great coal was far more highly sought after in the market than small coal, particularly in the local market in the Lothians and in the London market which the company sought to enter.*[67] *Indeed Prof. Duckham has stated that the price differential between great and small coal in the Lothians could be as high as 30 per cent.*[68] *Also if coal did not start out as great*

---

64 *RHC Vol.1,p.595.*

65 *J.U. Nef, The Rise of the British Coal Industry(1932), Vol.1,p.46.*

66 *George Dott, Early Scottish Colliery Waggonways,(1947),p.15; Kenneth Brown, 'The First Railway in Scotland, The Tranent - Cockenzie Waggonway', Railway Magazine, January 1938,p.1.*

67 *SRO GD1/170, York Buildings Co. Papers, Letter from J. Cockburn 26 September. Internal evidence suggests this is 1720 or 1721, probably the latter.*

68 *Duckham, Scottish Coal, pp.69-70.*

coal there was more likelihood of it becoming dross, with the consequent loss of revenue to the company. Thus a more convenient method of transport other than the packhorse had to be found. The track of the new railway was made of wood. Dendy Marshall, on information supplied by a member of the Cadell family who ultimately came to own this part of the estate, claimed the rails were set on stone blocks.[69] This argument is placed in doubt by Dott, who stated that this was not done anywhere else. He claimed that the stone blocks were probably introduced to support iron rails when the track was rebuilt in 1815.[70] The railway used small waggons and this, together with the narrowness of the gauge, 3ft.3ins. in 1815, has led M.J.T. Lewis to conclude that the railway's origins derived more from those of Shropshire than from Tyneside.[71] The company also showed itself at the forefront of technology by installing a steam engine at the mines at Tranent.[72] In all, around £3,500 was spent on capital improvements on the estate, approximately equivalent to one year's net rent.[73] Robert Hackett had also carried out improvements in the area by opening up coal works nearer to the sea. He hoped by such means to draw some of the water away from the higher levels.[74]

The main idea behind the expenditure was to allow the company to produce coal for the London market. During the seventeenth century there had been considerable growth in the

---

69 C.F. Dendy Marshall, A History of British Railways down to Year 1830,(1938),p.112.
70 Dott, Colliery Waggonways, p.16.
71 M.J.T. Lewis, Early Wooden Railways,(1970)p.254.
72 Murray,York Buildings, p.85; Duckham, Scottish Coal,p.81.
73 Ibid. p.171; RHC, Vol.1.p.595.
74 SRO GD1/170, York Buildings Company Papers, Letter 26 September.

Scottish coal industry, although its competitive position in the international market had declined somewhat after 1690.[75] *Duties imposed upon Scottish coal after the Restoration had contained the Scottish coal trade with London to around 1,000 tons per year*[76] *which was not helped by the additional cost of carriage over the extra distance between the Forth and the Tyne. It was probably the freer market existing after the union which induced the company to expand in this field. In 1714-1715 London had imported 534,177 tons of coal,*[77] *the vast bulk of it from North-east England. The company hoped to gain a fair slice of this lucrative trade.*

The first indication of the York Buildings Compay's participation in the coal trade came in September 1721. In a letter to Christian Cole, John Cockburn of Ormiston stated that the Winton estate was liable to prove a very good proposition with regard to the coal trade.[78] *Cole was one of the directors responsible for handling the purchase of the estates. Cockburn was also a director and governor of the company during the illness of the Earl of Westmorland.*[79] *He was also a Lord of the Admiralty. Cockburn requested that some coal be sent to him in order that its quality could be demonstrated. He also requested details of freight rates and the size of ships that could enter the harbour at Port Seton.*[80] *Shipments to London had commenced by November 1721. A letter from Cockburn to Cole*

---

75 T.C. Smout, Scottish Trade on the Eve of the Union,(Edinburgh, 1963)p.229.
76 Ibid.
77 Nef, Coal Industry, Vol.2,p.381.
78 SRO GD1/170, York Buildings Company Papers, Letter J. Cockburn to C. Cole, 27 September 1721.
79 Applebee's Original Weekly Journal, 3 December 1720; British Journal, 6 October 1722.
80 SRO GD1/170, York Buildings Company Papers, Letter J. Cockburn to C.Cole, 27 September 1721.

indicates the former's concern for news of ships carrying coal and salt, in view of the generally adverse reports on shipping from places on the coast.[81] *This concern was reflected in the price of coal in London which had been 23/- to 26/- per chaldron in October but had risen to 24/- to 27/- per chaldron in November 1721. A London chaldron weighed 25-26 cwts.*[82]

The company, however, was actively engaged in plans to lease out both the Winton estate and its associated coal and salt works. On 11 November 1721, around the time of the first coal shipment, the company granted a lease of the barony of Tranent to Thomas Mathie, a Cockenzie merchant, and John Horsely, the Company's agent on the estate, at £795 per annum. On 15 May 1722, the coal works was leased to them, and likewise the saltworks on 2 February 1723, for a combined annual rental of £1,000.[83] *Despite this, the company appeared to be responsible for the sale of coal in London. Advertisements in the London newspapers in October and November 1722 clearly stated that coal was being sold for the company.*[84] *The most likely explanation is that the company was buying coal from the lessees for shipment and sale in London. There was some incentive for the company to keep the coal trade in its own hands. During May 1722, the price of coal at "Bear Key" in London had risen to 28/- per chaldron. Unfortunately, there is a gap in the series but the next quoted price is 32/-*

---

81 *Ibid. Letter J. Cockburn to C. Cole, 21 November 1721.*
82 *J.Rogers, History of Agriculture, Vol.VII(i) p.326; Duckham, Scottish Coal, p.369.*
83 *SRO GD345/854/12, Grant of Monymusk MSS, Memorial to York Buildings Co. from T.Mathie, 13 July 1724.*
84 *Daily Courant, 22 October, 5 November 1722; Daily Post, 22 October 1722.*

to 34/- per chaldron in February and April 1723. However, the price fell heavily in April to a level of around 22/6 to 24/- per chaldron,[85] possibly as the result of better weather allowing for an increased supply. London had poor facilities for the storage of coal[86] and thus the supply problems could not be eased in the winter months by means of stockpiling. Thus if the company could bring the coal to market at the right time there was money to be made.

Mathie soon regretted his bargain, but the reaction of Horsley cannot be determined from available evidence. Mathie claimed the coal and salt works were in a ruinous condition when he took them over. Between 1723 and 1724 he said he improved the drainage in the mines and improved the saltworks. However, he claimed that geological factors and trading conditions were against him. The coal was so brittle that eleven-twentieths was small coal, only useful for producing lime and salt locally. The only market to be relied on, he said, was the local one and in this he saw little possibility of extension. The problem with the London market, he felt, was that the Scots could not compete with Tyneside because of higher costs brought about by greater distance from the market, the state of harbours in the Forth which meant the use of smaller ships and the prevailing westerly winds which made that river difficult to enter. On 13 July 1724, Mathie petitioned to be released from his tack.[87]

---

85 Rogers, History of Agriculture, Vol.VII(i),p.326.
86 Ashton, Economic Fluctuations, p.6.
87 SRO GD345/854/12, Grant of Monymusk MSS, Memorial of T. Mathie, 13 July 1724.

Whether Mathie was released or came to some sort of agreement with the company is uncertain. He still appears to have been associated with the works in 1726,[88] and the Edinburgh critic claimed that he was employed by the company at £100 per annum to manage the works.[89] The company, for its part, continued the coal trade, and eventually re-let the works in 1727.[90] Although Mathie's claims concerning the state of the mines seem to be contrary to the evidence of improvements such as the steam engine and the waggonway carried out by the company, his comments on the general difficulties facing the Scottish coal trade were certainly accurate.

No evidence has come to light regarding absolute figures for the amount of coal shipped to London by the York Buildings Company. Evidence of reasonably continuous trade during the 1720s can however be gleaned from the advertisements in the London newspapers. On 11 August 1722, it was reported that 500 tons of caol had been recorded at the Customs House at the end of the previous week.[91] Even if this figure were converted to an annual rate, it would still have represented a very small fraction of the total London trade. On the other hand, it would have represented a considerable increase in the Scottish share of the market. Unfortunately the port books for this period have not survived so it has proved impossible to compile an overall figure for the York Buildings Company's coal trade to London.

---

88 NLS Fletcher of Saltoun MSS 16534, Letter S. Horsey to Lord Milton, 10 December 1726.

89 Letter from a Gentleman.

90 SRO GD345/854/8, Grant of Monymusk MSS, Rental of York Buildings Co. Estates.

91 Mist's Weekly Journal, 11 August 1722.

The coal was sold through an agent, Maltis Ryall. On 5 November 1722, he advertised a load of coal for sale from a ship in the Pool of London. The price was 25/- per ton loaded into lighters or barges and 26/- per ton delivered to any wharf between Limehouse and Westminster horse ferry. The ship was only to be five days discharging its cargo, after which the coal would cost 26/- per ton at the warehouse.[92] The quick turn round was no doubt meant to make the best possible use of available shipping.

The cost of transporting the coal from the mines to London can be deduced from an estimate of charges prepared for the company. It required 630 loads of 16 stones each to provide a cargo of 70 tons. The cost of moving the coal to the harbour was 6d. per load amounting to £15.15/- per cargo. In addition it cost ½d. per load from shore to ship, a total of £1.6/3d per cargo. Freight to London amounted to 8/- per ton, £28.-.- per cargo. The total cost of moving 70 tons from the pit to London was therefore £45.1/3d. or 12/10½d. per ton. The cost of freighting a ship forwards and backwards was £50.[93] These figures would seem to refer to the cost of moving coal to the harbour by packhorse and, given the selling price quoted above, clearly show the high level of freight charges and the reason for building the waggonway which could move much larger quantities of coal.

---

92 Daily Courant, 5 November 1722; Daily Post, 5 November 1722.
93 SRO GD1/170, York Buildings Co. Papers, Ane Accompt of Charges of a Ship Loading of Coals from Port Seton to London.

The ships used to transport the coal were chartered. On 21 September 1725, the company advertised that it was ready to enter into contracts for ships drawing 13 feet or less. Carriage from Port Seton to London was fixed at 8/- per ton and eight days were allowed at each end of the voyage for loading and unloading.[94] *The following April the company announced that it had received a proposal to purchase 20,000 tons of coal at a fixed price if they could deliver such a quantity to the Pool of London within twelve months of a specific date.*[95] *It was requested that anyone with a similar plan should contact a committee of the company. During this time, the price of coal sold by the company remained steady at 24/- per ton.*[96] *By 1726, however, there were signs that the boom of improving trade and investment of 1722-1725 was coming to an end*[97] *and a decline in the price York Buildings Company coal would fetch was an indicator of this movement.*

The company, however, remained reasonably optimistic of expanding the coal trade and, with characteristic bravado, it exaggerated the effect for the public at large. The Edinburgh critic later claimed that a report in the Whitehall Evening Post *of 4 December 1725, represented the governor as saying that the company would produce, and sell in London, 100,000 tons of coal per year.*[98] *Nef cites the figure of coal imports to London between Midsummer 1724 and Midsummer 1725 as 627,072 tons.*[99]

---

94 Daily Courant, 21 September 1725.
95 Ibid. 8 April 1726.
96 Ibid. 9 October 1725, 11 March 1726.
97 Ashton, Economic Fluctuations, p.121.
98 Letter from a Gentleman.
99 Nef, Coal Industry, Vol.2,p.381.

Thus the company was aiming to secure around one-sixth of the London market, a considerably larger share than the entire Scottish coal industry had hitherto enjoyed. The Edinburgh critic dismissed the whole episode as a stockjobbing exercise in that it raised the price of the company's stock to over 50, but when it was realised that the claim was false, the price fell to below 8.[100]

The Edinburgh critic was wrong for two reasons. In the first place the stock movement was not as sudden as he implied. The maximum price for 1725 was 53½ reached around 20 May.[101] Thereafter the price fell steadily for the rest of the year with minor revivals. On 4 December the price was 22½[102] and the price did not fall below 8 until 8 November 1726.[103] Thus the price of over 50 was reached long before the coal scheme was announced. Secondly the movement, as we have already seen, was linked with the scheme to halve the company's stock and with the proposed merger with the Charitable Corporation. The trends, therefore, lead one to the conclusion that a more widespread lack of confidence, probably coupled with a downturn in the trade cycle, had a greater bearing on the stock price than the coal scheme.

Whatever may have been said in public, the directors privately settled for a lower annual yield from the mines. A statement prepared by them on 22 October 1725, shows that they

---

100 Letter from a Gentleman.
101 Daily Courant, 20 May 1725.
102 Ibid. 6 December 1725.
103 Ibid. 9 November 1726.

expected it to be around 40,000 tons per annum. Profit was estimated at 5/- per ton on a selling price of 24/- per ton, a rate of 20.8%, yielding £10,000 per annum to the company. In addition, the company expected to make £1,000 on the sale of small coal to the salt works at Winton, which would be rented out as there was no indication in the statement of the company deriving any income from salt. In fact the statement showed only Edzell on the Panmure estate and Winton to be retained and let. The other estates were to be sold to meet the company's debts.[104] Edzell also had mining potential, in this case lead.[105] This scheme was part of a plan devised between Col. Samuel Horsey, later to be governor of the company, and Lord Milton to return the forfeited estates to the old families which has already been mentioned.[106]

The production figure of 40,000 tons of coal per annum was still regarded as excessive in some quarters. A computation of the company's potential income drawn up by James Brydges, 1st Duke of Chandos, former governor of the company, estimates coal production at about 24,000 tons per annum from 25 March 1725. Profit was calculated at 5/- per ton on a selling price of 21/- a return of 23.8% producing a surplus of £6,000. Chandos reckoned that as 1725 was the first year of improvement of the coal works, the estimate of surplus could be halved for that year.[107] The prices quoted by the directors and by Chandos

---

104 Oxford University, Bodleian Library, Gough MSS Somerset 7 f 335, State of the York Buildings Company's Affairs, 22 October 1725.

105 HCJ, Vol.22,p.191.

106. Vide Supra. pp.295-297.

107 OU Bodleian, Gough MSS Somerset 7, ff 333-335, Computation of ... the Expenses and Income of the York Buildings Company.

represent those at London as opposed to those at the pit head at Tranent, although that of Chandos is pitched too low. It can be assumed therefore, that both Chandos and the company envisaged that the bulk of this produce would find its way on to the London market. In March 1725, the price of coal a "Bear Key" in London fluctuated between 23/- and 27/- per chaldron.[108] *It is difficult to make a comparison between these figures and those quoted by the company and Chandos in their estimates of the trade as the exact modern equivalents of the ton and chaldron employed in the various calculations cannot be accurately determined. What is clear, however, is the volatile nature of the London market. Thus marginal areas like Scotland could be placed at a disadvantage compared to North-east England in any sudden downturn in prices. Jevons reckoned that the coal industry of the Forth basin grew slowly during the eighteenth century, and the Custom-house returns in the port of London reveal that between 1745 and 1765, 3,000 - 6,000 tons of coal per annum were imported from Scottish pits.*[109] *making the company's ideas 20 years earlier seem wildly over-optimistic. It is possible, therefore, that even the comparatively low figures of coal that was shipped by the company to London could have marked a peak in Scottish coal exports to London in the first half of the eighteenth century.*

---

108 Rogers, History of Agriculture, VII(i),p.326.
109 H. Stanley Jevons, The British Coal Trade, (repr. Newton Abbot, 1969)p.153.

In August 1727 the company re-let the mines, the new tenant being William Adam, architect of Edinburgh, father of the famous family of architects who were to have such an impact on Britain later in the century. Adam was one of the company's agents in Scotland and had been factor on the estate of East Reston.[110] *As already noted, Adam was also involved in the company's timber scheme on Speyside.*[111] *Adam increased the capacity of the works by sinking four new pits on the Easter Windygoul part of the estate.*[112] *Increased exploitation is also demonstrated by the fact that between December 1726 and April 1727, the company had stated in advertisements that coal was being brought to London from "new coal pits at Port Seton".*[113] *The annual rent was fixed at £450,*[114] *a considerable drop on the previous sum of £1,000 and led, inevitably to accusations of corruption.*[115] *The situation is confused by the involvement of Sir Archibald Grant of Monymusk. Grant later claimed to have a one-third interest in the Port Seton part of the coal enterprise with Adam.*[116] *This factor had never been made public as the lease was in Adam's name.*[117]

The company still retained a certain degree of interest in the coal trade or at least gave the impression of so doing. In both 1728 and 1730, advertisements appeared in the press, indicating that the company was still offering coal for sale in London.[118] *The company was making a determined effort to*

---

110 SRO GD1/170, York Buildings Co. Papers, Letter from Fordyce & Campbell, 17 February 1722.
111 Vide supra, Ch.4.
112 SL CSP 423; 12, Cadell v Anderson 1801, Info. per William & John Cadell, 13 January 1801.
113 Daily Courant, 22 December 1726; Daily Courant, 15 April 1727.
114 SRO GD345/854/8, Grant of Monymusk MSS, Abstract of Rental.
115 Letter from a Gentleman.
116 Grant's Estate, p.9.
117 SRO GD345/854/8, Grant of Monymusk MSS, Abstract of Rental.
118 Daily Journal, 4 January 1728; Daily Journal, 18 March 1730.

dispose of the product. It offered delivery anywhere in London or Westminster for 30/- per ton.[119] Maltis Ryall, who had been the agent for the company in the coal trade was advertising coal from Sauchie at 25/- per ton at the wharf or 32/- per ton delivered.[120] Coal from Charles Areskine's mines at Alva was being offered at 34/- per ton at Whitefriars dock.[121] The varying prices are indicative [illegible] of an erratic market. This view is borne out, to some extent, when one examines the prices Rogers quotes at Bear Key in London. During June 1730 prices of 21/-, 23/-, 22/- and 26/- per chaldron had been noted and in July, 21/- and 22/6d. These were prices of coal from North-east England, and even allowing for differences in measurement, were significantly less than the prices being asked for Scottish coal at the wharf. The fluctuating price of coal could, therefore, have induced the York Buildings Company to enter the London coal trade. However, only when prices were high could the company hope to make a reasonable profit to overcome the disadvantages it faced in competition with the industries of the Tyne and Wear, and the same was true of the Scottish coal industry as a whole at this time. The Tyne and Wear, therefore, continued to dominate the London coal trade and the Scots made little impact.[122]

The salt industry of the Forth basin had long been an important sector of the Scottish economy. Its importance is

---

119 Ibid.
120 Ibid. 23 February 1730.
121 Daily Courant, 19 February 1730.
122 Duckham, Scottish Coal, p.37; Rogers, History of Agric. Vol.VII(i),p.326.

indicated by the fact that in 1614, it had ranked third in Scotland's exports after wool and fish and also by the fact that the state was involved by means of monopolies or salt duties down to 1825.[123] *E.D.Hyde has stated that in the eighteenth century Scottish producers, conscious of the dangers of both foreign and English competition, fought hard to ensure that the fiscal privileges granted under Article 8 of the Treaty of Union were maintained. This gave the Scottish industry a degree of protection and an entry into the English market, neither of which were available to the English industry in the Scottish market. Because of its higher acidity, Scottish salt was of an inferior quality to English and foreign products which encouraged much smuggling of salt into Scotland throughout the course of the eighteenth century. The Scottish salt industry was also at a disadvantage as regards direct costs, the yield per ton of fuel being ten to eleven times less than some English producers who were able to use more saturated brine solutions. Where the Scots had the advantage was in overheads, particularly in labour costs, as the Scots were still operating what amounted to a system of serfdom in both coal and salt operations. Hyde reckons this meant that Scottish costs per bushel at source were only twice as expensive as Cheshire salt, while because of other advantageous cost factors, profit margins were better north of the border.*[124]

The salt pans used the small coal known as panwood from local mines to boil sea water. Because of the high cost

---

123 *Ian H. Adams, 'The Salt Industry of the Forth Basin,' Scottish Geographical Magazine, Vol.81,(1965)p.154.*

124 *E.D.Hyde, 'The British Fisheries Society; Its Settlements and the Scottish Fisheries', University of Strathclyde Unpub.Ph.D, 1973 pp.54-63.*

of carriage of coal, the pans tended to be situated close to suitable supply of fuel.[125] *The Earls of Winton had developed salt pans at Cockenzie during the seventeenth century and it was these which were acquired by the York Buildings Company with the estate in 1719. The available evidence indicates that despite the advantages outlined above, the salt concern was not particularly profitable to the company. John Horsley, at that time the company's factor at Winton, wrote on 5 January 1722, that although he was hopeful of placing the coal operation on a sounder footing, he was afraid that the saltworks would "do no trade".*[126] *An account purporting to show the consumption of panwood and output of salt during a full week when all the pans were operating, indicates that the salt received in payment for the coal supplied, was sold at a loss of 14/- before any oncost charges on the saltworks were applied.*[127]

Further evidence of the troubled state of the salt trade comes in two letters written during the winter of 1721-22. Fn the first, written on 16 December 1721, Fordyce and Campbell, the Company's Scottish agents wrote of the captain of a ship loaded with salt complaining that bad advice had delayed him from sailing till February, as a result of which he expected to incur a severe loss. The salt, it was claimed, would also be damaged by lying on board during this period.[128] *In his letter of 5 January 1722, John Horsley requested the company to order*

---

125 Adams, Geog. Mag., p.155.

126 SRO GD1/170, York Buildings Co. Papers, Letter from J. Horsely, 5 January 1722.

127 Ibid. Account of [illegible]nwood led to and Salt received at Cockenzie in a week when all the twelve Salt Pans are going.

128 Ibid. Letter from Fordyce and Campbell, 16 December 1721.

Fordyce to pay the workers at the mines and salt pans out of profits he had undoubtedly made on the company's behalf.[129] *Trade was poor, and Horsley did not expect it to improve till around April or May. It appears from the letter that Horsley was in charge of the estates but that Fordyce looked after the company's interests in the industrial ventures. This, Horsley claimed, left him little to do but let the land until the first rents became due at Martinmas. Until then, he concluded, the only revenue accruing was from the colliery.*[130] *This was the first clear indication of a problem that was to haunt not only the salt operation but the company's later industrial ventures in the Highlands, namely that of cash flow. It was possibly this, and exasperation at the situation in general, which had led Horsley to become involved with Mathie first as a tenant of the barony of Tranent and ultimately as an entrepreneur in his own right.*

Labour troubles also disturbed the salt operation. In the autumn of 1726, work stopped for about 8 to 10 weeks. Colonel Samuel Horsey, the governor of the company, claimed that the trouble had been instigated by Thomas Mathie, who was now an agent of the company. Mathie had been ordered to get the salters back to work but had been unable to do so. Mathie for his part claimed that Fordyce and George Buchan of Kelloe, another of the company's agents, were, for their part, fomenting the trouble

---

129 *Ibid., Letter from J. Horsley, 5 January 1722.*
130 *Ibid.*

which was keeping the works idle. Horsey believed the whole incident came about as a result of a dispute between Buchan and Mathie, the company having to suffer as a consequence.[131] *The company was clearly unable to control the actions of men who were both, in theory, responsible to it. This was a major weakness which gave the agents great freedom to carry on personal feuds at the company's expense. The incident also shows that, despite their servile status, it was not possible to exert complete control over the salters. Perhaps the last word on the salt venture may be left with the Edinburgh critic who claimed that the only way to make salt without incurring a loss was to ensure a free supply of small coal.*[132] *This is amply borne out by the production account from the pans.*[133]

The York Buildings Company was also involved in glass making on the Winton estate. In 1696, William Morison of Prestongrange had established a glassworks on his estate of Aitcheson's Haven, or Morison's Haven, in East Lothian,[134] *which was near to the Winton estate. Sometime around 1720, the glass works were leased to Robert Hackett, who had been responsible for the purchase of the forfeited estates for the York Buildings Company.*[135] *Hackett appears to have taken partners in this venture although their identities cannot be determined. The only mention of the partnership comes in a letter from John Cockburn to Christian Cole, who stated that the partnership*

---

131 *NLS. Fletcher of Saltoun MSS 16534, Letter S. Horsey to Lord Milton, 10 December 1726.*
132 *Letter from a Gentleman.*
133 *SRO GD1/170, York Buildings Co. Papers, Account of Panwood.*
134 *Scott, Constitution and Finance, Vol.2.p.190.*
135 *PRO TI/258/13, Extract of York Buildings Co. Minutes and Comments thereon.*

complained of the latter's dealings with one Peck, who appeared to be held in very low esteem by the partners.[136] The Peck referred to was presumably Daniel Peck or his son Philip, both known speculators who were active in Scotland at this time.[137] At least £6,040 had been expanded on the works by October 1723, £3,000 from Hackett and £3,040 from the York Buildings Company.[138] It cannot be determined how the company's money came to be tied up in the works, whether an agreement existed between Hackett and the company or whether the money had merely been lent to Hackett who had then employed it in the glass works.

In 1723, the works had run into difficulties and Hackett suggested to the company that they accept £1,000 in cash in full settlement of his debt, and offered the works as security until the sum was paid. The court of assistants accepted the proposal on 26 October 1723.[139] Rumours of the company's intentions had been circulating prior to this, as it was reported in early September that the company had laid aside £10,000 for continuing and making viable the production of crown and plate glass in Scotland.[140] The difficulties of making and obtaining plate glass in Britain[141] must have made this proposition attractive. On the other hand the technical problems and costs involved in casting plate glass should have provided a warning to the company to steer clear of such an enterprise. On 16 May 1724, the company's committee on law suits decided that possession of

---

136 *SRO GD1/170, York Bldgs. Co. Papers, Letter J. Cockburn to C. Cole, 23 September 1721.*
137 *C.A.Whatley, 'The Process of Industrialisation in Ayrshire', University of Strathclyde Unpublished Ph.D. Thesis,1975,pp.123-124.*
138 *PRO TI/258/13, Extracts of Minutes.*
139 *Ibid.*
140 *Daily Journal, 7 September 1723.*
141 *T.C.Barker, The Glassmakers, Pilkington: the Rise of an International Company(1977),p.14.*

the glassworks and its materials should be retained, but permission be given to Hackett and an unnamed partner to work them at their own expense. Trustees were to be appointed by both parties who were to pay half of the profits of the glassworks to the York Buildings Company until the £1,000 was paid off.[142]

The company later complained bitterly about Sir John Meres' handling of the affair, accusing him of manipulating the board into accepting Hackett's terms so that he could have the glassworks for himself for next to nothing. It was claimed that Meres' action had nullified proceedings whereby the company had gained possession of materials worth £1,980 as security for the debt of £3,040.[143] *As a result of Meres' actions the materials were released, and the company could hope at best to gain half the profits of the works. If profits failed to materialise, the company got nothing. Despite later demands from the company, Meres refused to hand over Hackett's lease which he had in his possession. The situation was further exacerbated, the company claimed, by the fact that, after he had compounded his debt with the company, Hackett had drawn a bill on Sir Fisher Tench, payable to Meres for £670, which was to be paid out of glassworks funds.*[144] *These complaints of the company, submitted to the Treasury on 3 February 1727, had some substance. The motives of the new directors in putting pressure on Meres are quite clear. They were trying to pave the way for a venture of their own in glass-making.*

142 PRO T1/258/13, Extracts of Minutes.
143 Ibid; PRO C11/378/149, York Bldgs. Co. v Meres.
144 PRO T1/258/13. Extracts of Minutes.

The company revived its interest in glassmaking sometime in the later months of 1727 or early 1728. At this time the directors were engaged in trying to revive the company's fortunes by means of expansion into industry, and had put forward the proposition that was to be the basis of the timber scheme at Abernethy. It is possible that a change of tenants on the company's estate of Winton had an influence on the decision to go into glass making, as both George Buchan and William Adam, lessees of the constituent parts of the estate, were interested in the venture. Among others interested in the venture was Sir Archibald Grant. On 23 March 1728, George Buchan wrote to Grant, his brother-in-law,[145] stating that the general opinion was that a new glassworks at Port Seton would be profitable but that the whole idea of a partnership was dependent on Grant. Work was in fact going on in building the works, purchasing materials and putting together a labour force. Grant was to have the major say as to who should be partners, and the Duke of Chandos and the Earl of Stair were mentioned as possible participants. Among those to be consulted on the precise articles of the partnership were Col. Horsey, governor of the York Buildings Company and Alexander Garden of Troup, another of Grant's brothers-in-law. Buchan claimed to have laid out £750 on the building work mentioned.[146]

The partnership agreement was formally ratified at a meeting on 7 January 1729. The meeting was chaired by Lord

---

145 Murray, York Buildings, p.27.
146 SRO GD345/765/1, Grant of Monymusk MSS, Letter G. Buchan to Sir A. Grant, 23 March 1728.

Drummore, a Court of Session judge, and among those present were William Adam, George Buchan, Alexander Garden, Thomas Fordyce, who, as well as being agent of the company, was Sir Archibald Grant's uncle, William Grant, Sir Archibald's brother, James Stewart, Anthony Murray, Hugh Dalrymple and Thomas Belches. Proxies attended for Sir Arthur Anstruther, Colonel Charles Cathcart and the Earl of Stair. Lord Drummore and Messrs. Adam, Buchan, Fordyce and Murray were elected managers to hold office until 1 August 1730. Fordyce was to be cashier and Buchan was to be secretary, both for the same period. Thus Sir Archibald Grant's faction was firmly in control of the operation, holding key posts and a majority on the committee of management.[147]

The managers were instructed to devise an accounting system and a set of by-laws for the partnership. It was further decided to take up an offer of assistance from one James King, a glass worker from Parten in Cumberland and Fordyce was to write to him to come as soon as possible.[148] *The partners, therefore, were determined to get the works into production quickly, to secure an immediate return on their capital.*

The most interesting aspect of this meeting can be seen at the end of the minute. In addition to sending a copy of the minutes to the partners in London, it was ordered that Fordyce prepare a "letter of compliment" to be sent to the directors of the York Buildings Company on the occasion of the

---

147 *SRO GD345/765/7, Grant of Monymusk MSS, Minutes of Meeting of Partners, 7 January 1729.*

148 *Ibid.*

meeting.[149] The reason for sending this letter is not spelt out, but it can be taken as the first indication that the company had a direct interest in the venture. This appears to be confirmed by another source which states that the company had advanced £1,500 to build the glass works at Port Seton. The Edinburgh critic took the company severely to task for investing in a new works when the Morison's Haven works was nearby and contained good sand for making plate glass, to which the company had a right on account of the money owed by Hackett and his partners. The writer claimed the only reason for setting up a new glass works was that those who were keen to promote it also had an interest in the coalworks on the Winton estate and looked to have their coal supplies for nothing.[150] As we have already seen, the whole tenor of this document reveals the author to be violently opposed to all aspects of the management of the York Buildings Company and thus one must not place too much reliance on it. The partnership did not obtain free coal; it had to pay for it.[151] However, Sir Archibald Grant clearly stated that Adam's lease of the coal works taken in 1727, in which he had a one-third share, was taken out with the glassworks in mind.[152] Such a move would have seemed to be sound business practice. Later events, however, were to show that some of these criticisms were justified. The company had clearly become involved, as by 9 August 1733 it held seven of the partnership's twenty shares.[153]

---

149 Ibid.
150 Letter from a Gentleman.
151 SRO GD345/765/7, Grant of Monymusk MSS, Letter P. Grant to Sir A. Grant, 9 August 1733.
152 Grant's Estate, p.9.
153 SRO GD345/765/7, Grant of Monymusk MSS, Letter P. Grant to Sir A. Grant, 9 August 1733.

Part of the finance for this venture came from the Royal Bank of Scotland. On 16 March 1730, the proprietors asked the bank for a cash account with credit facilities of up to £1,000.[154] *On 29 January 1731, the York Buildings Company requested credit of up to £1,000 to be granted through Col. Horsey. In addition to Horsey, Buchan, Robert Dalrymple, Fordyce and Garden were to be bound jointly and severally.*[155] *It is possible, therefore, that this money was also to be used in the glassworks.*

The range of products manufactured by the organisation in 1730 was reasonably extensive. In addition to various types of window glass, crystal glasses, decanters and lamps, "glasses for alchymists" and bell glasses for use by gardeners were all advertised for sale.[156] *In order to make their goods more readily available to the customer, a warehouse and showroom was established in the Lawnmarket in Edinburgh the following year.*[157] *The partners were clearly hopeful of a bright future for the works.*

Any hopes the partners might have had of lasting success in their venture were quickly dissipated. By May 1732, it was clear that the venture was in trouble. In a letter to Sir Archibald Grant, Patrick Grant, who appeared to be operating the works, stated that the employees had not been paid for three weeks. He said Fordyce would do nothing without further instructions from Sir Archibald and the Colonel, possibly Horsey. Grant stated that £50 had been drawn on Sir Archibald and William Burroughs, to

---

154 R.B.A. Minutes of Court of Directors, Vol.1,f312, 16 March 1730.
155 Ibid., Vol.2,f2,29 January 1731.
156 Edinburgh Evening Courant, 9 February 1730.
157 Anon. "An Early Scottish Development Corporation" Three Banks Review, No. 20, December 1953, p.45.

be distributed among the men. This is the only indication we have of Burroughs' involvement in this venture. Patrick Grant also indicated his concern about the market for glass produced. He said that in Newcastle manufacturers used a local clay which gave a good product and wondered if he should send for some. He was also concerned to dispose of a load of window glass and felt it should not be left to lie in the works, as Newcastle producers were sending all they could to London.[158] *There are signs that the glass industry around Tyneside, the principal producer of glass in Britain at this time,*[159] *was finding it difficult to satisfy the immediate needs of the growing London market. Such booms created opportunities for smaller producers from other areas such as Port Seton to capture a share of the market not usually open to it because of cost disadvantages. Such booms were only temporary and in the long term marginal producers suffered. The letter to Sir Archibald Grant clearly shows the difficulties being faced by the partnership, which were no doubt added to by the fact that the men on the spot appeared to have little discretion, instructions even in minor commercial matters coming from a distance.*

The glassworks clearly resulted in a loss to the York Buildings Company. By Christmas 1732, a deficit of £4,089 had been accumulated.[160] *The plight of the works was reflected in the valuation of Sir Archibald Grant's estate in 1731 and 1732.*

158 SRO GD345/765/3, Grant of Monymusk MSS, Letter P. Grant to Sir A. Grant, 27 May 1732.
159 Barker, Glassmakers, p.6.
160 HCJ, Vol.22,p.190.

On 1 January 1731, Grant felt his shares were worthless and that it was doubtful if the works would continue.[162] *The York Buildings Company appeared to agree with this view in August 1733. The removal of Col. Horsey and his associates from the direction of the company had led to a reappraisal of the company's ventures. George Abell, one of the new assistants, stopped at Port Seton on his way to Edinburgh and informed Patrick Grant that the directors felt they had no concern in the works other than as landlords. Abell added that the company regarded Horsey's purchase of shares as done on his own account, as such a purchase would be contrary to the company's charter.*[163]

Several other problems also faced the works at this time. A month before Abell's visit, Patrick Grant had complained that costs were high as, apart from things like kelp and coal, many materials had to be brought in from outside, which made the works uncompetitive.[164]

Production had been interrupted by the breaking of pots through weakness in the clay, by lack of materials and also because of the roof falling in the previous winter. But, above all, he claimed he was handicapped by the lack of working capital which meant materials could not be purchased at the right time. Patrick Grant felt that bottles should be produced as far as possible as that was the item most in demand in Scotland. He emphasised there was no great market for window glass and, although the return was higher, profits could only be made by selling elsewhere.[165]

---

161 Grant's Estate, p.9.
162 Ibid.,p.25.
163 SRO GD345/765/7, Grant of Monymusk MSS, Letter P. Grant to Sir A. Grant, 9 August 1733.
164 SRO GD345/765/8, Grant of Monymusk MSS, Letter P. Grant to Sir A. Grant, July 1733.
165 SRO GD345/765/7, Grant of Monymusk MSS, Letter P. Grant to Sir A. Grant 9 August 1733.

Patrick Grant's plea clearly indicates that the works had become run down; the products were poor, and not geared to the most readily available market. Also the partnership had difficulty in collecting money due to it for goods sold in London and abroad, which certainly did not help matters.[166] It is not surprising, therefore, that the York Buildings Company was eager to cut its losses and abandon this venture, leaving Col. Horsey to foot the bill if possible. Sir Archibald Grant tried to keep the works going through Patrick Grant but by the following year, 1734, the old problems of production difficulties and cash flow were added to by the refusal of William Adam to supply coal, and a London glass house was putting pressure on a supplier to stop providing raw materials to the Port Seton works. Production ceased in October 1734, and it cannot be ascertained if it was in fact restarted.[167] Like so many ventures in which the York Buildings Company was involved, it came to an inglorious end.

One must ask why the company encouraged investment in the glass industry in the first place. It is possible that this was a response to booms in demand in areas such as London which the major centre of production, Tyneside, could not meet. When such booms faded, the less efficient Scottish sector suffered particularly because of cost factors such as carriage. The glassworks, however, do represent an

---

166 Ibid.
167 SRO GD345/765/9, Grant of Monymusk MSS, Letter P. Grant to Sir A. Grant, 26 October 1734.

important link in the chain of York Buildings Company industrial ventures. As with the timber, iron and lead ventures the shadow of Sir Archibald Grant is ever present. Also one can say that if all these ventures, including the glass works, had been successful, the possibility of a strong degree of vertical integration of both the company's and Sir Archibald Grant's interests would have been achieved. What one can see, therefore, is the germination of a sound idea in entrepreneurship which, unfortunately, never properly bore fruit.

Despite the failure of the glass works, the industrial enterprises on the Winton estate continued to be under Sir Archibald Grant's influence during the latter part of the 1730s. In 1736 William Adam gave up his tack of the coal and salt works and was succeeded by Francis Grant, Sir Archibald's brother. The company and Grant claimed that Adam had had no real intention of quitting the works but had tried to use his option to quit merely to attempt to lower the rent.[168] *In view of the fact that Sir Archibald Grant had published details of his involvement with Adam in the inventory of his estate compiled at the time of the Charitable Corporation scandal, and given the fact that Francis Grant also acted on Sir Archibald's behalf, this affair seems a little surprising. It indicates, together with the fact that Adam had earlier disrupted coal supplies, that he was taking a very independent line. The York Buildings Company's annuitants were none*

---

168 SL CSP2;23, York Buildings Co. v Adams 1737, Petn of Co. and Francis Grant, 5 January 1737.

too pleased at the whole situation and claimed that the company had no right to give the tack to Francis Grant which they felt could jeapordise their security. Adam's lease of the coal and salt works was in fact due to expire in 1739. At this date a new lease was given to the Cadell family.[169]

In addition to the industrial development of the Winton estate, the York Buildings Company was eager to let it for agricultural purposes, and accordingly had been engaged i n efforts in this field from February 1720. An advertisement was placed in the Edinburgh Evening Courant for 15 - 16 February 1720, inviting anyone, including the sitting tenants, who was interested in the estates already purchased by the company, including Winton, to apply to the company secretary, John Billingsley, in London. It was clearly stated that the company would grant long leases so that tenants would be "encouraged to improve the lands." Coming so soon after the granting of the long lease to his tenant Wight, by John Cockburn of Ormiston, the first of the noted Scottish improvers[170] *and himself a director of the company, this once more placed the York Buildings Company to the forefront of the movement towards the most up-to-date methods. The Lothians were among the most advanced agricultural areas in Scotland at this time,*[171] *and this must have provided further incentive to the company to join the ranks of the improvers. As in so many other enterprises,*

---

169 SL CSP 423;12, Cadell v Anderson, 1801, Info William and John Cadell, 13 January 1801.

170 J. A. Symon, Scottish Farming Past and Present, (Edinburgh,1959)pp 107-108.

171 I. Whyte, Agriculture and Society in 17th Century Scotland, (Edinburgh, 1979) p.259.

however,the company was unable to reap the benefit of its foresight due to mismanagement and downright dishonesty on the part of its agents and employees.

Despite its early efforts to attract tenants, the company appears to have made no major moves in this direction until 1721. On 11 November, John Horsley and Thomas Mathie took over the barony of Tranent and Cockenzie for a period of 31 years.[172] Horsley and Mathie,as has been shown, also took over the coal and salt works on 2 February 172?, for a similar period.[173] Also from 11 November 1721, the baronies of Seton, Long Niddry and Winton were let to George Buchan of Kelloe, again for a period of 31 years.[174] Buchan, as has been already noted was linked to the company, holding the position of confidential correspondent. He was also a brother-in-law of Sir Archibald Grant.[175] This was the start of the company's practice of allowing employees to become tenants as Horsley, too, was a company employee. At this stage, however, proper commercial considerations were observed, the rental for the whole estate being calculated to bring in £3,600 per annum as opposed to £3,446 at the time of its purchase by the company.[176]

The situation was somewhat complicated by Horsey's dealings with Lord Milton in 1726. At one stage Milton

172 NLS Delvine Papers MSS 1506, Estate of late Earl of Winton in Shire of Lothian.
173 Vide supra p.312.
174 NLS Delvine Papers MSS 1506, Estate of Winton.
175 Murray, York Buildings, p.47.
176 NLS Delvine Papers MSS 1506, Estate of Winton.

expressed a desire to rent the house, garden and park of Seton on the Winton estate and he also proposed that a Mr. David Home, one of the Clerks of Session, take over the whole of the Winton estate. This latter scheme ran into difficulties because at this time the company was trying to work out its own plan to operate the coal works.[177] It was around this time too that Horsey's plan to sell the estates was under active consideration. The decision to sell the estates appeared to have been confirmed on 9 June 1727, when a general court agreed to give the governor and court of assistants power to sell all or part of the company's estates, provided they were unanimous in such a decision, and the rights of the annuitants were in no way affected.[178] However, the annuitants were not willing to see their security dissipated. They called a meeting to co-ordinate their protests at the proposed sale,[179] and under an agreement with the company dated 13 October 1727, secured the estates for the payment of their annuities.[180] Thus Horsey's scheme came to nothing. In the meantime, the court of assistants had been given the power to arrange leases on the estates,[181] and this they proceeded to do in the case of several estates, including that of Winton.

The question of finding new tenants for part of the Winton estate had arisen because of the difficulties of Thomas Mathie concerning the coal and salt works. Accordingly,

---

177 NLS Fletcher of Saltoun MSS 16534, Letter S. Horsey to Lord Milton, 28 May 1726.

178 SRO CS 228/Y1/38, York Buildings Co v Carnegie, Minute of Company, 9 June 1727; vide supra, p.297.

179 Daily Post, 19 June 1727.

180 SL CSP F29;24, Delavalle & ors v York Buildings Co 1788, Case of Delavalle and ors.

181 SRO CS228/Y1/38, York Bldgs Co v Carnegie, Minute of Co., 11 August 1727.

William Adam agreed not only to take over the coal and salt works operated by Horsley and Mathie but also the barony of Tranent and Cockenzie, and the harbour at Port Seton which the latter had also leased from the company. The lease for 22 years commencing in 1727, was given in return for an annual payment of £640. The coal works was let to him in the following year for £450. Also in 1727, George Buchan negotiated a new lease from the company of the baronies of Seton, Long Niddry and Winton for £1,400,[182] a decrease of £400 per annum. When one adds to these sums the £105 per annum received for the glass works,[183] the total yearly rental of the estate had declined to £2,595, compared to £3,600 in 1721. Significantly, the entire estate of Winton was now in the hands of the company's own agents, who ensured that they looked after their own interests. Such actions lend a degree of credence to the Edinburgh critic's claim that the company's agents and stewards dispossessed several of the company's good tenants and replaced them with bad ones who paid the agents large entry fees.[184]

Despite the fact that he relinquished his lease of the coal works to Francis Grant in 1737, William Adam retained his lease of the barony of Tranent and Cockenzie. Indeed, in 1741, he successfully brought an action against the annuitants' trustees who managed the estate in respect of an allowance on

182 SRO GD 345/854/8, Grant of Monymusk MSS, Rental of York Bldgs Co. Estates.
183 NLS Delvine Papers MSS 1506, Estate of Winton.
184 Letter from a Gentleman.

his rent for damages caused to buildings by a severe storm on 13 and 14 January 1739. This was deemed not to be part of the normal wear and tear which he was obliged to make good under his lease.[185] A new lease of the whole of the Winton estate, except the coal works, was granted to George Buchan in 1743. It was for a period of 35 to 40 years and was to run from the end of his former lease.[186] Both Buchan's and Adam's leases were due to expire in 1749, but no evidence has come to light to indicate when Adam actually gave up his tack. The lease of the coal works was retained by the Cadell family who ultimately became its owners, purchasing the barony of Tranent when it was put up for sale.[187]

Although the avowed aim of the York Buildings Company in granting long leases was to encourage agricultural improvement, little or nothing was done in this respect on the Winton estate. When the estate was put up for sale in 1778, it was clearly stated that "the lands are not inclosed, and are very improvable". The particulars also stressed the fact that the rents on the estates had not risen for sixty years, that considerable grassum payments had been made, that leases had all expired and that the purchasers could get immediate possession.[188] The clear implication here is that Buchan's new lease had in fact run from 1743.

The fact that nothing concrete had been done did not mean that no attempts had been made to improve the estate.

185 Decisions of the Court of Session 1737-1744, (Edinburgh, 1791), p.283.
186 NLS Delvine Papers MSS 1506, Estate of Winton.
187 SL CSP 423;12, Cadell v Anderson 1801, Info for Wm and John Cadell, 13 January 1801.
188 SL CSP 185;1, York Bldgs Co v Mackenzie, State of the Process 30 June, 1791.

Around 1769, a group of the feuars of Tranent, who had lands lying runrig inmixed with these of the York Buildings Company, attempted to gain authority for a scheme of division under the act of the Scottish Parliament of 1695, designed to facilitate such a process.[189] In all, some 500 acres of land was involved in the scheme, 328 acres belonging to the company and 162 acres to the feuars. The company's land was divided into 229 different parcels held by 90 tenants, the feuars land into 152 different parcels. The feuars claimed that the great disadvantage of this was that each small parcel was, on average, little more than an acre and many consisted of only a ridge or even half a ridge. The feuars claimed that the perpetuation of this system was contrary to the trends in the area at that time. They said it was "illiberal" of the company's managers to oppose a scheme which was of manifest advantage to all concerned.[190] Lord Kames, on 28 February 1770, had granted power to the Sheriff to have a scheme of division drawn up, but the company had delayed proceedings by opposing the choice of a surveyor, and questioning his work.[191]

The basis of the company's objection was in the way the division had been carried out. It was claimed that the area in question lay to the east of the town of Tranent, and that the bulk of the land which backed on to the town

189 SL CSP 160;1, York Bldgs Co v Feuars of Tranent 1771-1772, Petition of Feuars, 28 November 1771.
190 Ibid. Info for Feuars, 25 April 1772.
191 Ibid. Petn of Feuars, 28 November 1771.

belonged to the company. A considerable amount of this land had been allocated to the feuars under a clause in the statute which provided that regard should be paid to manor house and policy. It seems that the commission in this case, had allocated land to the feuars which lay near their houses in the town. The company for its part claimed

> "Nothing can be more absurd than to suppose that by the words mansion house and policy, could be intended such pitiful urban tenements, some with, others without a kail-yard." 192

The company claimed that many of these dwellings had no traditional connections with the land, but that some of the feuars had come to acquire small grazing plots or other parcels of land some distance from the town. It was also stated that no regard had been paid to the urban holdings of the company itself, and this was unjust.[193] The company's objections were eventually overturned and the division of Tranent was to become effective after the harvest of 1776.[194] In its objections, however, the company did mention that some parts of the lands it held adjacent to the west side of the town had been enclosed.[195] There is no indication as to what proportion of the estate this represented, and it does not seem to alter the general view that the estate was largely unenclosed.

The lack of improvement on this estate, even although it lay in what was the most progressive agricultural region

---

192 Ibid. Info for Co., 12 June 1772.
193 Ibid.
194 SL CSP 423;13, Cadell v Vallanage 1801, Info for Vallanage 13 January 1801.
195 SL CSP 160;1, York Bldgs Co. v Feuars of Tranent 1771-1772, Info for Co., 12 June 1772.

in Scotland where enclosed fields had become reasonably common since the late 1720s and early 1730s,[196] was hardly surprising. As a landlord, one could not expect an institution to show the same zeal for improvement as either Cockburn of Ormiston or Grant of Monymusk, both involved with the company, would do on their own estates. In any case, the company, despite its ~~landatory~~ loudable intentions, had abrogated its rights to collect the rents to trustees for the annuitants, whose only concern was that they receive the amount necessary to satisfy their claims. Nor were the company's agents a source of improvement, and it has been claimed that these men were ready to line their own pockets at the company's expense.[197]

The most serious indictment of the York Buildings Company's managment of the Winton estate, as it was of the others also, was its failure to raise the rents on the estate during the period of its management. In 1719, when the company took over the estate the twenty year average of the price of wheat, according to the Haddington fiars was $12/5\frac{3}{12}$*; by 1779, when the estate was sold, this had risen to* $17/11\frac{6}{12}$*, both prices per Haddington boll, equivalent to approximately 4 imperial bushels of wheat; barley rose from 10/5 to* $14/10\frac{3}{12}$*, oats from 9/2 to* $11/8\frac{7}{12}$ *and bear from* $7/9\frac{6}{12}$ *to 10/11 per boll, a Haddington boll in terms of barley and oats being approximately 6 imperial bushels.[198] As the tenants on*

---

196 Lythe and Butt, An Economic History of Scotland 1100-1939. (Glasgow,1975), p.115.

197 Letter from a Gentleman.

198 Hamilton, Economic History of Scotland, pp.397-399.

the Winton estate, in this case presumably the sub-tenants, as the principal tenants paid in cash, had the option of paying the proportion of their rent due in grain at Haddington or Edinburgh, it is clear that these figures accurately indicate the increasing returns possible from the estate, and certainly reflect the bargain enjoyed by the company's principal tenants as the free rent in 1778 was stated to be £4,269 after converting the victual portion and including a mere £300 for the coal and saltworks.[199]

The estate was offered for sale in the later months of 1778, in eleven lots, with a total upset price of £100,114. The auction was set for 12 February 1779. Even at this late stage, old tendencies re-asserted themselves. The common agent for the creditors, the lawyer Alexander Mackenzie, used his privileged position to rig the auction, allowing him to buy two out of the three lots of the barony of Seton at the upset price of £18,472.[200] *It took the company until 1798 to have the decision reversed in the House of Lords and that part of the estate resold to the Earl of Wemyss at a price of £47,100. Because of the improvements he had carried out upon the property, Mackenzie was able to recoup £27,716 of the purchase price.*[201] *Also in 1779, George Buchan-Hepburn purchased part of the estate*[202] *and although this could also*

---

199 SL CSP 185;1, York Bldgs Co v Mackenzie, Ftate of the Process, 30 June 1791.
200 Ibid; Murray, York Buildings, p.99.
201 Guildhall Pamphlets, Report of Arch. Swinton, 27 February 1809.
202 Murray, York Buildings, p.100.

be classed as insider-dealing, the sale was not challenged by the company. In total the estate raised £111,326 in 1779[203] *to which must be added around £20,000 when the part of Seton occupied by Mackenzie was ultimately resold to the Earl of Wemyss, bringing the price to around £131,000. Given the fact that the company had paid £50,300 at the original sale in 1719,*[204] *this represented a considerable capital gain. It was this factor alone which ensured that the company's legitimate creditors ultimately received some recompense and this was a trend that was also to be apparent in the disposal of other estates.*

3. The Estates of Panmure, Southesk, Marischal and Pitcairn.

Of the estates purchased by the York Buildings Company, the most valuable in terms of rental, after Winton, were those of the Lords Panmure, Southesk and Marischal, providing net annual rentals of £3,169, £2,626 and £2,175 respectively,[205] *approximately 60% of the total net rental of the company's Scottish estates at the time of purchase. Together with the Winton estate they constituted 83% of the potential income of the company from this source. If the company was to derive maximum benefit from its Scottish estates, prudent management and a sound letting policy was necessary. An examination of the Winton estate has already revealed that*

---

203 *Ibid.* P.102
204 *RHC*, Vol.1.,p.595.
205 *Ibid.*

the company's agents were able to manipulate events to suit their own ends at the expense of the company and also to further the ends of Sir Archibald Grant. A similar trend in clearly discernible in the case of the estates of Panmure situated mainly in Angus but with lands also in Aberdeenshire, Southesk, again mainly situated in Angus but with lands also in Fife, and Marischal lying in Aberdeenshire.

In the initial stages of its ownership of the three estates, the York Buildings Company kept the management of the bulk of them under its own control, although parts were let to tenants. The Panmure family was given 99 year leases of the houses and parks of Brechin and Panmure for £50 and £100 respectively in 1724.[206] *George Fordyce of Broadford, merchant of Aberdeen, and provost of the city 1718-1719,*[207] *took the barony of Belhelvie and consequently much of the parish of Peterhead on a 15 year lease from Whitsunday 1721 at a yearly rental of £500.*[208] *From the Southesk estate the lands of Leuchars and Leuchars-Forbes were leased for 19 years from Martinmas 1720 to Charles Gregory for £456 per annum.*[209] *Gregory also undertook to collect the rents on the company's estate of Pitcairn and pay it to the company's designated agents in Edinburgh.*[210] *The barony of Arnhall in Angus, part of the Southesk estate, also appears to have been let but the name of the tenant before 1739, when it was let to*

---

206 *SRO GD 345/854/8, Grant of Monymusk MSS, Rental of York Bldgs Co's Estates.*

207 *A.B.Keith, A Thousand Years of Aberdeen, (Aberdeen, 1972) p.562.*

208 *SRO GD 345/854/8, Grant of Monymusk MSS, Rental of York Bldgs Co's estates; Murray, York Buildings, p.46.*

209 *SL CSP 89;1, York Bldgs. Co v Carnegie 1764, Repr. of Sir J. Carnegie, 27 July 1764.*

210 *SRO GD1/170, York Bldgs. Co. Papers, Letter Gregory to York Bldgs. Co., 23 November 1721.*

Sir James Carnegie of Pitarrow, heir to the Earl of Southesk, cannot be determined. On the Marischal estate, the barony of Fetteresso and Dunnottar was leased in 1721 to John Gordon and Robert Stewart, provost of Aberdeen, for 21 years at £525 per annum plus a further £25 for the house.[211] The Countess Marischal was still in possession of enclosures in and about the house of Fetteresso.[212] Finally the lands of Milton of Gavel were let to George Hay for 28 years at £46 per annum from Whitsunday 1725.[213] Only following the unsuccessful plan to sell the estates in 1726 and the move to pass on the revenues and management to the annuitants in 1727, were the remaining parts of these estates let.[214]

The new tenant of these properties was none other than Sir Archibald Grant of Monymusk, who, together with his brother-in-law Alexander Garden of Troup, entered into an agreement with the company on 11 November 1728 to take a lease of the parts of the three estates not already let, together with the small estate of Pitcairn, for an annual tack duty of £4,000 free of all charges such as cess and ministers' stipends, payable in two instalments at Lammas and Christmas. The lease was for 29 years and entry was fixed as having been at Whitsunday 1728. The first instalment of the rent was payable at Whitsunday 1729. The company was required to repair the houses on the estate and put them in a habitable

---

211 Murray, York Buildings, p.47.

212 SRO GD 345/575/1, Grant of Monymusk MSS, Articles of Agreement, 1727.

213 SRO GD 345/854/8, Grant of Monymusk MSS, Rental of York Bldgs Co. Estates.

214 Vide supra pp297-298.

condition, after which repair would become the responsibility of the lessees. The company was also required to sell the arrears of rent to Grant and Garden.[215] The arrears were to be fixed by Hew Dalrymple, a Court of Session judge and an associate of Grant in his ventures on the Winton estate.[216] A lease was to be given to Grant and Garden on terms similar to those granted by the company to George Buchan on the Winton estate.[217] Despite this agreement no formal lease appears to have been executed,[218] and the transaction was carried into force by means of the articles of agreement.

The financial implications of the transactions on these estates are set out in Tables 5:2 and 5:3.

TABLE 5:2

NET RENTAL OF ESTATES OF PANMURE, SOUTHESK, MARISCHALL & PITCAIRN.

	Rent Advertised at Sale 1719/1720.		Rental 1728
PANMURE	£3,169		
Land let to Grant & Garden		£1,674	
Land let to Panmure Family		150	
Barony of Belhelvie		500	2,324
SOUTHESK	2,626		
Land let to Grant & Garden		1,252	
Leuchars & Leuchars-Forbes		456	
Arnhall		230	1,938
MARISCHALL	2,175		
Land let to Grant & Garden		1,046	
Fetteresso & Dunnottar		550	
Milton of Gavel		46	1,642
PITCAIRN	42		
	£8,012		£5,934

SOURCES: NLS York Bldgs Co. v Ferguson of Pitfour; SRO GD345/854/8, Grant of Monymusk MSS Abstract of York Bldgs Co. Rentals; Murray, York Buildings, p.47.

215 SRO GD 345/575/1, Grant of Monymusk MSS, Articles of Agreement 1727.
216 Vide supra p.329.
217 SRO GD345/575/1, Grant of Monymusk MSS, Articles of Agreement 1727.
218 NLS York Bldgs Co. V Ferguson of Pitfour, Case of Co.

The figures of Arnhall and Milton of Gavel are approximate, being based on later rentals. The apportionment of the £4,000 is based on a later apportionment when the former owners took over the lease at the same rental but it does help to show how the value of the estates had declined, or been forced down, in the years between 1720 and 1728.

TABLE 5:3.

NET RENTAL OF LANDS LEASED TO GRANT & GARDEN.

	Value 1719/20.	Approx Value 1728.
PANMURE	£2,531	£1,674
SOUTHESK	1,806	1,252
MARISCHAL	1,597	1,046
PITCAIRN	42	28
	£5,976	£4,000

SOURCES: HLRO Appeal Cases, York Bldgs Co. v Norfolk & ors. 31 January 1764; NLS York Bldgs Co. v Ferguson of Pitfour.

The total rental of the estates which had stood at £8,012 at the time of the sale had fallen to £5,934 in 1728, a decline of 26%. The greater part of this decline was due to the fall in rental of the estates taken by Grant and Garden which showed a decline of 33%, the decline on the other parts of the estates being restricted to 5%. The Grant - Garden lease, therefore, was clearly not to the company's benefit.

The lease certainly presented the opportunity of

profit for the lessees. When his affairs were being investigated at the time of the Charitable Corporation scandal in 1732, Grant estimated that his half of the lease was worth £2,500 to him.[219] Given the nature of the investigation, it is possible Grant underestimated the value of the property. By this time, however, Grant had assigned his share in the lease to Garden for sums owed to him, with a further assignment to Thomas Fordyce,[220] and agent of the company and also his uncle. Assuming Grant's estimate of the value to be accurate, he and Garden were making a gross return of 25%. During the course of the lease this amount appeared to increase until around 1745, the gross rental was estimated at £6,000 per annum. Against this, however, various charges such as the cess, ministers' and schoolmasters' stipends and other public burdens, such as contributions towards poor relief, had to be met.[221] Poor relief was the least onerous of these burdens as Scotland had no system of poor rates, the little aid there was being financed by collections at church, fines for moral offences, legacies and the proceeds of hiring the parish hearse or mort cloth for funerals.[222] In all, it was claimed, these outgoings amounted to over £1,000. In addition Grant and Garden claimed that because of the situation and relative remoteness of the estates, the charges for factorage and other incidental expenses were high. Grant and Garden

219 Grant's Estate, p.25.
220 Ibid. p.9.
221 SRO GD345/575/23, Grant of Monymusk MSS, Info. for Buchan, Grant and Garden, 15 December 1746.
222 Smout, Scottish People, p.93.

said they were giving the company a far better return on the estates than it had been able to achieve employing factors.[223] *Given the fact that one of the main complaints against the company was that the factors were cheating the organisation,*[224] *this could possibly be true. It does, however, highlight one of the major problems faced by the company, namely the difficulty of a corporation in controlling the activities of its servants operating at a distance when responsibility within the corporation was nowhere clearly defined. Grant and Garden, who were landowners within the north-east of Scotland, had a far better chance of controlling the activities of their agents and thus securing a fairer return on their investment.*

The reason given for the poor returns achieved by the lessees particularly on the Panmure and Southesk estates was the nature of the farms. The units were said to be small and to have a poor class of tenantry with the result that such farmers were not in the habit of keeping proper accounts.[225] *The rents had been racked with the result that arrears ran into several hundred pounds a year. These circumstances, together with the failure of factors and victual merchants connected with this venture led Grant and Garden to claim that the profits of good years when crop prices were high had, on occasions, been overturned by bad years. In particular they stated that in the early years of their*

---

223 SRO GD345/575/23, Grant of Monymusk MSS, Info for Buchan, Grant and Garden, 15 December 1746.

224 Letter from a Gentleman in Edinburgh.

225 SL CSP 12;37, Grant & Garden v York Bldgs Co 1747, Petn of Tenants, 24 January 1747.

tenancy, because of their obligations to carry timber for the York Buildings Company, they were heavy losers and had the timber venture not ceased, they would have been compelled to give up the lease.[226] *The fact that they held on to it suggests that profits might not have been as poor as Grant and Garden suggested. Evidence for the year 1751 - shows the net rental, after all deductions, according to Grant and Garden was only £50,258 Scots, approximately £4,188 Sterling, out of which £4,000 tack duty would have to be paid to the York Buildings Company. Included in the figures for charges, however, were provisions for bad debts and for factorage and incidents at 5% of the gross rental each of £3,873 Scots. Also included were round figure sums of £2,600 Scots for repairs to the kirk, and houses augmentation of stipends and for law charges and losses. In total, these estimates amounted to £12,946 Scots or approximately £1,079 Sterling.*[227] *It is impossible to estimate how accurate these provisions were, or how typical the year of 1751 was for Grant and Garden. It does seem fairly clear, that Grant and Garden were, at best, getting a fair return on their investment and the indicators available do not suggest exhorbitant profits. If their provisions for 1751 were anywhere near accurate, it would suggest an annual return of 4.7% for that year. By comparison the yield on East India bonds in 1751 was only 3%; the yield*

---

226 SRO GD345/575/23, Grant of Monymusk MSS, Info for Buchan, Grant and Garden, 15 December 1746.

227 SRO GD345/876/5, Grant of Monymusk MSS, Scheme of Estates rented by Grant and Garden.

on government stock was similar and this coincided with the maximum rate allowed by the Treasury on short-term loans in anticipation of taxes.[228] *Grant and Garden, therefore, received a reasonable return on their investment, at least in 1751.*

Grant and Garden had faced difficulties as a result of the rebellion of 1745. The rebels naturally were hostile to the company and their tenants, and consequently their estates were singled out for special treatment. The rebels claimed the estates belonged to the Prince as of right and demanded rent from the tenants as if it was due to them, under pain of military execution. They also demanded a levy from the tenants. In this way it was claimed that rent in money and victual to the amount of £7,638 Scots and £8,488 Scots as a levy, a total of around £1,346 sterling had been taken by the rebels from the Panmure and Southesk estates. A further amount of £500 sterling had also been exacted from tenants on the company's estates for arrears of rent due by them and for which they had given bills.[229] *As neither Grant nor Garden, nor any of their factors, were in the vicinity when the rebels arrived, they took the money and supplies direct from the tenants. Only later did they obtain the bills from one of the factors who came into their hands.*[230] *When the rebellion was crushed both tenants and sub-tenants went to the court to try to decide who was to stand the loss. By 1751, Grant and*

---

228 Dickson, Financial Revolution, pp.411, 471.

229 SRO GD345/575/23, Grant of Monymusk MSS, Info. for Buchan, Grant and Garden, 15 December 1746.

230 SRO GD345/575/22, Grant of Monymusk MSS, Info. for Tenants 15 December 1746.

Garden had agreed on a compromise with the tenants as the best way out of what they saw as a bad bargain.[231]

The lease to Grant and Garden expired in 1757 and was assigned by them to the Honourable James Maule on behalf of the Earl of Panmure, Sir James Carnegie in his own right for the Southesk estate and to Alexander Keith of Ravelston for the Marischal estate. Maule and Carnegie granted a tack of Pitcairn to Janet Countess of Kelly and her two sisters.[232] *The scheme of division of the £4,000 tack duty payable to the York Buildings Company was shown in Table 5:3. Sir James Carnegie had already taken the first steps towards regaining his family property when he took over a lease of Leuchars and Leuchars-Forbes from Charles Gregory on its expiry in November 1739. The following year he took a lease of the barony of Arnhall, thus extending his holding of his family's property.*[233]

The company was, however, under extreme pressure from its creditors, most notably the Duke of Norfolk and his partners, and William Lock who held the rights to the sums owed to the late governor Sir John Meres. It was reckoned that the normal practice of a process of ranking and sale would take too long and so a special Act of Parliament was passed in 1763 to allow the sale of those estates formerly leased to Grant and Garden.[234]

---

231 SRO GD 345/958/1, Grant of Monymusk MSS, Letter A. Garden to Sir A. Grant, 19 March 1751.
232 Murray, York Buildings, p.91.
233 SRO GD345/854/8, Grant of Monymusk MSS, Rental of York Buildings Co Estates.
234 Murray, York Buildings, p.91.

The judicial sale, authorised by parliament, was scheduled to take place on 20 February, 1764. However, it was claimed by the company that this was being done in undue haste. During November 1763 the company tried to stop the sale as it said no proper survey had been carried out to ascertain the exact rentals, and this would affect the price obtained. Nor was the sale advertised in the English newspapers, which meant it was not given the widest possible publicity. Also the company stated that if the sale could be postponed until the summer, several persons had announced their intention to bid at that time. The company, therefore, instigated legal proceedings to try to stop the sale and because of its urgency, the case quickly ended up in the House of Lords. On the face of it, the company had a reasonable case. The proven rental of the areas offered for sale had been shown to be £5,977 in 1719 and 1720 and the estates were to be offered for sale at twenty-five times their annual value. The company claimed the real revenue was now £7,000 per annum and that the estates could well be sold at 30 years value, a difference the company claimed of approximately £30,000 on the upset price.[235]

Norfolk and his associates were unimpressed by this argument. They stated that as early as 1756, when the lease to Grant and Garden was nearing expiry, they had agreed to give up one-third of their debt in order to ensure a quick sale

235 HLRO Appeal Cases, York Bldgs Co v Duke of Norfolk & ors., 31 January 1764.

of these estates to pay the remainder of that debt. As seven years had passed, their patience was wearing thin and they threatened to sue for the full debt of £125,000 instead of £82,000 for which they were prepared to settle. They also expressed annoyance that, after agreeing to the sale, the company was now attempting to halt it. The House of Lords agreed with Norfolk and his partners by dismissing the appeal, awarding the respondents £100 costs and advising them to insist that the managers of the York Buildings Company be required to pay the costs of the appeal out of their own pockets.[236]

The company was right to be concerned about the sale of its estates. When the auction took place upon the appointed day, there was no competition in the bidding and the estates were knocked down to the families of the forfeited owners at their upset prices. Thus for the sum of £118,184, the Earl Marischal, the Earl of Panmure and Sir James Carnegie as heir of the Earl of Southesk, who were present at the sale, saw a large proportion of their estates come under their control once more. Representatives for the Pitcairn family purchased that estate for the benefit of the sisters and heirs of the former proprietor.[237] The estates had originally cost the company £153,970 but after deductions, the net cost had worked out at £112,385.[238] It is impossible to make a

236 Ibid. Case of Norfolk & ors.
237 Murray, York Buildings, p.92.
238 RHC, Vol.1.p.595.

direct comparison, however, as only the land leased to Grant and Garden had been put up for sale under the act. The parts leased out to others, including land let directly to Sir James Carnegie in 1739 and 1740 were not included in the sale. In all the rental value of these lands was £1,932 in comparison to the £4,000 paid by Grant and Garden,[239] and although the exact proportion in terms of size cannot be determined, it can be seen that a fair proportion was still left in the hands of the company. The old proprietors, therefore had acquired the estates on unrealistically low rental values, and given the fact that lower interest rates generally would force up the price of estates, i.e. the estates here were purchased at upset prices based on twenty times the annual value and sold at upset prices of twenty-five times the value, the old owners undoubtedly got a bargain and the company was the loser.[241(a)] The ease with which the process was managed enhances Murray's point that there was still a great deal of sympathy in Scotland for the old families[240] and this seemed to stretch right through the Scottish establishment.

In 1764, the company began the process of removing Carnegie from the lands of Leuchars and Arnhall as the leases for these properties had expired in 1758 and 1759. Carnegie tried to resist, claiming he was a creditor of the company and was thus holding on to the estates as security for his debt.[241]

---

239 Vide supra p.348. table 5.2.
240 Murray, York Buildings, p.100.
241 SL CSP 89;1, York Bldgs. Co. v Carnegie 1764, Answers for Co., 7 August 1764.
241(a) For example the Maule family paid £49,157.18s4d. to recover its property. Burke's Peerage, (1845) p.776.

The company denied he was a creditor saying that he had bought debts from Sir Archibald Grant concerning stores for the mines at Strontian,[242] the implication being that this had been done solely to put pressure on the company. The Company said that Carnegie was able to make a lot of money from the land and for that reason they were anxious to remove him to be able to take his level of profit from the estates,[243] in essence admitting that he was too good a tenant as he was able to sub-let the land at high rents. In this respect the company was acting as so many landlords in Scotland had done before them and such attitudes in effect worked against the spread of improvements before the middle of the eighteenth century. In this case, the company eventually gained repossession and sold Arnhall in 1779 to Sir David Carnegie who paid £7,300, which was above the upset price.[243(a)] Leuchars was sold in 1782 when £31,850 was obtained. The estate was divided into three lots. Mr. John Anstruther paid £3,800 for one lot and James Cheap of Wellfield £7,450 for another. The largest parcel was purchased by Sir David Carnegie for £20,600[244] thus again a great deal of the land came back into the hands of the forfeited families. However, the political and social climate which had previously allowed the families to acquire this land had changed and they now had to compete with other purchasers in a more open market.

---

242 Ibid. Memo for Co., 1 October 1764.
243 Ibid. Answers for Co., 7 August 1764.
244 SL CSP 258;179, Report of Common Agent, 12 August 1791.Appendix.
243(a) Sir David Carnegie was the son of Sir James Carnegie. Burke's Landed Gentry,(18th Edition, 1972) Vol.3, p.897

On the Panmure estate, the company had problems concerning the barony of Belhelvie in Aberdeenshire. This was the area originally let to George Fordyce, merchant of Aberdeen, for 15 years from Whitsunday 1721, the rent being £500 per annum.[245] According to the rental list, this was renewed for 19 years to commence on the expiry of the original lease. Murray claims this new lease was for 14 years and had been granted in 1728.[246] It was later claimed by the company that the lease was due to expire in 1750 which lends support to Murray's assertion.[247] During the early months of 1745, a great deal of activity took place regarding the company's estates. As legal moves were afoot to prevent the company issuing new leases, the governor, Thomas Pembroke, and an assistant by the name of Harris, contrived to issue new leases on behalf of the company. David Fordyce, son of George and Professor of Moral Philosophy in Aberdeen, who had inherited the lease of Belhelvie from his father, was granted a 99 year lease at the slightly increased rent of £525 a year. It was later stated that this was nothing like the value of the estate and by 1776 the proven rental amounted to over £1,000 and even that was felt to be nothing like the real value of the estate. In order to obtain the lease, it was said that David Fordyce had given Pembroke a bribe of £130, which payment was nowhere mentioned in the lease.[248] After a protracted legal

245 SRO GD345/854/8, Grant of Monymusk MSS, Rental of York Buildings Co. Estates; vide supra, p.346.
246 Murray, York Buildings, p.46.
247 SL CSP 404;46, York Buildings Co. v Stewart 1779, Petn. of Co. 21 May 1799.
248 Ibid.

battle, the company was able to have the lease set aside by the House of Lords on 16 April 1779, Fordyce having to quit the estate.[249] *It was sold in 1782 when it fetched £30,745. In order to facilitate its disposal, Belhelvie was divided into sixteen lots, seven of which were purchased by one David Stuart for a total of £16,595. Andrew Skene of Dyce purchased two lots for £3,900. The remainder was sold in single lots to a variety of purchasers including three Aberdeen merchants, James Hunter, Frances Legie and George Willox, Alexander Duthie, an Aberdeen advocate, King's College, Aberdeen, John Ramsey of Barra and John Dingwall of Rannieston. At £2,400, Ramsay's was the most expensive of the single lots. The house and park of Panmure itself had been sold three years earlier to the Earl of Panmure for £5,000.*[250] *The variety of purchasers for this property, therefore, indicates the very active nature of the land market at this time.*

One intriguing mystery concerning the Peterhead area remains unsolved. Included in the estates of the Earl of Marischal, was the burgh of barony of Peterhead. A.R. Buchan in his study of the port of Peterhead states this was bought by the York Buildings Company along with the rest of the estate in 1720, and because of the company's financial difficulties was sold to the Merchant Maiden Hospital (later the Merchant Company) of Edinburgh for £3,420 in 1728.[251] *No record of this transaction has appeared in any other documents examined*

---

249 SL CSP F32;55, Fordyce v Walsh & ors. 1779, Case of Walsh & ors..
250 SL CSP 258;179, Report of Common Agent, 12 August 1791 Appendix.
251 A.R.Buchan, 'The Port of Peterhead to 1900', Univ. of Strathclyde, unpubl. M.Litt., 1978, Vol.1.p.28.

in relation to the York Buildings Company. A memorial for Sir Archibald Grant in 1742 states that the Marischal estate was bought by two concerns, the York Buildings Company, and an organisation identified only as the Fishery Company. The latter was required to pay £2,638 for its share of the estate at Martinmas 1720, which it appears to have done, shortly after that date.[252] *Among the projects floated during the 'bubble era' in 1720 was one entitled the British Fishery. Among those concerned in this speculative venture was Col. Horsey, later Governor of the York Buildings Company.*[253] *It is possible that this organisation purchased the port of Peterhead.*

The latter idea is given further credence by the work of P. Buchan who states,

> *"the town and lands adjacent were purchased in 1720, by a fishing company in England(York Buildings) for £41,172 Scots [£3,431 Stg.] but they failing in 1726, the property was purchased by the Governors of the Merchant Maiden Hospital, Edinburgh, at the price of £3,000 sterling."* 254

No other evidence has been found linking the York Buildings Company to a fishing concern. In April 1720, however, a subscription for "Remitting Money to and from the Principal Places of Commerce in Great Britain and Ireland and foreign

252 SRO GD 345/575/21, Grant of Monymusk MSS, Memo for Sir A. Grant, 1742.
253 HCJ, Vol.19,p.343.
254 P. Buchan, Annals of Peterhead,(Peterhead,1819)p.14.

Parts and for ensuring of Debts" was launched. Preference in this venture was given to York Buildings Company subscribers.[254a] *It is possible, therefore, that those concerned with the Fishery Company which purchased Peterhead were also involved in the York Buildings Company, and it is this which has given rise to the confusion concerning the ownership of Peterhead.*

Although the exact ownership of Peterhead cannot be determined with accuracy, it seems likely that it was not sold by the York Buildings Company. The organisation had not yet paid the full price for the Marischal estate, and thus had not been formally vested with the property. It could not, therefore, give a valid title to any prospective purchaser. The Fishery Company had paid its debt and could do so. This latter organisation, therefore, is a much more likely candidate for the ownership of Peterhead from 1720 to 1728.

The York Buildings Company faced considerable problems concerning the disposal of the Marischal estate. The forfeited earl had raised a great deal of money by means of wadsets (mortgages) on his property. These amounted in total to £10,172, and together with a further £9,028 allowed as deductions by October 1724, brought the net amount to be paid by the company for the estates down to just under £22,000.[255] *The question of allowable deductions on this estate was never satisfactorily settled, as the Barons of the Exchequer, who*

254a *Edinburgh Evening Courant*, 21-25 April, 1720.
255 *HLRO Appeal Cases, York Buildings Co. v Elphinstone 1786, Case of the Company.*

took over responsibility for the York Buildings Company's debt to the government when the Forfeited Estates Commission was wound up, looked carefully at both allowances and debts of the forfeited persons, and in fact disallowed some payments made by the company.[256] *As a result of such confusion, the company was still arguing over its precise debt in 1777.*[257] *To add to the complication, the Earl of Marischal had been pardoned in 1759 as a result of services rendered to the government. In 1760 an act of parliament allowed him to inherit property, in effect anulling the penalties of his forfeiture. The following year a second act granted him £3,618 out of the unpaid balance of his estate, together with interest from Whitsunday 1721.*[258] *When the estate was put up for sale in 1764, Marischal purchased it for £31,331 but he was later allowed to deduct £10,651 in respect of sums due to him as a result of the government grant. Soon afterwards he sold the estate to James Ferguson of Pitfour, a Court of Session judge, and at a later date assigned his rights to the grant to Lord Elphinstone. Ferguson, Elphinstone and the company were still wrangling over the whole affair in 1786 when it was finally decided in the House of Lords that Elphinstone should be paid more than £4,000 by Ferguson.*[259]

Gradually the remainder of the Marischal estate was sold. The first part to be disposed of was Milton of

---

256 *Ibid.*
257 *SL CSP F32;18, York Buildings Co v Keith,1777.*
258 *Murray, York Buildings, p.94.*
259 *HLRO Appeal Cases, York Buildings Co. v Elphinstone,1786, Case of Co.*

Gavell acquired by a William Rose for £3,020 at the judicial sale in 1779. In 1782 Admiral Duff of Logie acquired Fetteresso for £19,200 and one Alexander Allardyce paid £20,500 for Dunottar. The Merchant Maiden Hospital extended its property in the Peterhead area by the acquisition of Clerkhill for £3,700 in 1783 and at the same sale a Dr. Thomas Livingston paid £720 for Downiehill, the last remaining parcel of land.[260]

An examination of the sales of the parcels of the estates of Panmure, Southesk and Marischal between 1779 and 1783, reveals an interesting point. In all £124,035 was raised, compared with £118,184 from the sale in 1764. At first glance this seems startling when the rental of the lands sold to 1764 had been £4,000 per annum, and those sold between 1779 and 1783 had been valued at £1,932 at the same time. In the latter period, the market was much freer. There was no conspiracy to allow the estates to return to the old families without competition.[261] *Also the land market was moving upwards as a result of generally favourable trends in the Scottish economy as a whole, in the latter part of the eighteenth century. This general good fortune, therefore ultimately worked to the company's advantage.*

---

260 SL CSP 258;179, Report of Common Agent, 12 August 1791. Appendix.

261 Murray, York Buildings, p.100.

4. The Callendar Estate.

The estate of Callendar was among the earliest to be leased out by the York Buildings Company. It extended to approximately 8,000 acres[262] and was purchased in 1720 for the gross sum of £18,752. Deductions allowed amounted to £1,337 making the net purchase price £17,415. The gross rental of the estate was given as £998, annual deductions amounting to £130 leaving a net rental of £867.[263] This was considerably less than a survey of 1716 and 1717 which had revealed Linlithgow's estate to be worth £1,296 per annum.[264] On 15 May 1721, the company granted a lease of 29 years to Alexander Glen of Longcroft and Alexander Hamilton, then of Dechmont, later of Pencaitland, at an annual rent of £873, free of all burdens and deductions.[265]

Outwardly this was a reasonable transaction, the figure obtained being close to the estimated rental at the time of sale and supposedly enjoyed by the late owner James Livingstone, Earl of Linlithgow. A closer examination of the transaction reveals some interesting factors. In the first place the lease was very wide ranging. The lessees were allowed to cut wood, which was said to be very valuable, to dig coal and to remove stone. These could be regarded as normal provisions to allow the estate to be kept in good repair, although if the coal was extensive one would have expected royalties to have been due to the owners. In addition,

262 Ibid.p.37
263 RHC, Vol.1.p.595.
264 Murray, York Buildings, p.37.
265 SRO GD345/854/8, Grant of Monymusk MSS, Rental of York Bldgs Co. Estates; SL CSP 38;19, Annuitants of York Bldgs Co. Factor v Errol, 1759. Memo for Trustees for Annuitants 14 February 1759.

however, the lease granted a right

> "to exercise acts of property by entering and receiving vassals, granting charters and precepts etc." 266

In effect the lessees were given what amounted to proprietors' rights. Secondly, Alexander Hamilton of Pencaitland provides a further link between the company's estates and Sir Archibald Grant. Grant's first wife was Anne, daughter of James Hamilton of Pencaitland.[267] The precise relationship between James Hamilton and Alexander Hamilton cannot be determined. Thirdly, one can point to the fact that Glen and Hamilton were merely acting as agents for Lady Ann Livingstone, daughter of the dispossessed earl and wife of William Boyd, 4th Earl of Kilmarnock,[268] who was himself to be executed for his adherence to the Jacobite cause in 1746.[269] Thus the estate was clearly let and managed for the benefit of the forfeited family. Despite the length of the lease, there is no indication that improvement was part and parcel of the plan. Given the rights of the lessees to fix rents for the sub-tenants, any benefits accruing during the period would fall to the lessees with no rights for the company to benefit. In that sense it was a bad bargain for the company and further highlights the fact that the agents were working more in their own and local interests than for those of the company.

---

266 Ibid.
267 Murray, York Buildings, p.49; Sedgewick, Commons, Vol.2.p.77.
268 SL CSP 38;19, Annuitants v Errol, Memo for Trustees, 14 February 1759.
269 W. Ferguson, Scotland 1689 to the Present (paperback ed. Edinburgh, 1978) p.153.

The pretence was dispensed with in 1738 when, at the desire of the Countess of Kilmarnock, the lease was transferred from Glen and Hamilton to her husband. On 30 September 1743, the lease, which still had 7 years to run was renewed for a further 38 years at the same rental of £873 per year, free of all deductions. The only new stipulation was that the money be paid at the Royal Exchange in London.[270] This was probably to suit the factor for the annuitants, who by this stage was receiving the proceeds of the rents, in order to save him the expense of transferring the money to London, this being borne by the lessee. It would appear that the Kilmarnocks had got the best of the bargain as the rent had not risen over a twenty year period. The whole question of the leases on the company's estates was called into question in 1745 when the creditors raised the matter in the Court of Session and it was discovered that some of the directors were trying to frustrate the creditors by renewing leases early, and indeed had taken some of the leases themselves.[271] If the company was anxious that the lease be extended, this would have given the Kilmarnocks a fairly strong bargaining lever.

The Countess of Kilmarnock did not long survive her husband and on her death in 1747, she was succeeded in the lease by her eldest son, *James Boyd, who became 13th Earl of*

---

270 SL CSP 38;19, Annuitants v Errol, Memo for trustees, 14 February 1759.

271 SL CSP 404;46, York Bldgs Co v Stewart 1799, Petn. of Co. 21 May 1799.

Errol. It would appear that his circumstances were somewhat straitened as he depended for his livelihood on the profits of this lease which, Murray claimed, was certainly to the detriment of the company.[272] Errol himself would certainly have disagreed with this view. He stated that the amount payable to the company, together with feu duties whose subjects could not be discovered, together nearly amounted to the total he could recoup from the subtenants on the land.[273] However, Errol made no move to give up the unequal struggle to make ends meet, which suggests that although his profits were not great, they were sufficient to give him some degree of a living.

A dispute between Errol and the company's trustees, demonstrates clearly the difficulties of a corporate body holding large parcels of land. As well as potential profit, the holding of land brought with it obligations, including as has already been noted responsibility for the upkeep of the kirk, its manse and the stipends of the minister and schoolmaster.[274(a)] In 1758, the company sued Errol in respect of the half year's rent of £436, due on 26 May 1758. Errol claimed he had paid £200 on account and claimed £1,021 Scots (£85 Sterling) and £23 Sterling as deductions in respect of rebuilding of and repairs to the manse at Falkirk and the kirk at Muiravonside respectively.[274] Russell, the annuitants'

---

272 Murray, York Buildings, p.49.
273 SL CSP 38;19, Annuitants v Errol, Memo for Errol 20 February 1759
274 Ibid; Memo. for Trustees, 14 February 1759; SRO CS271 41215, Boyd v Annuitants of York Buildings Co., 1758.
274(a) Vide supra, p.288.

factor had refused to pay those sums claiming that this was Errol's responsibility under his lease. Errol for his part felt that the minister's stipend was certainly within his responsibilities but that rebuilding, depending on a decision of the heritors where he had no vote, was beyond the scope of the lease. He said that if this situation was allowed to prevail, the heritors could lay out exhorbitant sums knowing the tenants had to pay.[275] *The company for its part declared that such assessments were made on Errol, not as a parishioner, but as a landlord, thus under his agreement to pay all charges which would have fallen on the company as landholders, he was obliged to pay.*[276]

In his complaint, Errol hit on a significant factor by claiming that the estate of Callendar was being overassessed.[277] *In the case of a corporation as the ultimate owner of an estate, it was easy for heritors to try to shift the burden of duties away from themselves and on to a remote organisation. This was not the first example of this with regard to the company. As early as 1725, Thomas Fordyce and Archibald Campbell, as agents of the company, had made a similar allegation against the heritors of the parish of Gladsmuir in Haddington presbytery, claiming the company was paying for more than its fair share of such obligations and that some heritors were being charged nothing at all.*[278]

---

275 *Ibid.*
276 *SL CSP 38;19 Annuitants v Errol, Memo. for Trustees, 14 February 1759.*
277 *Ibid. Memo. for Errol, 20 February 1759.*
278 *SRO CS271/41541, Fordyce and Campbell (Agents of York Buildings Co) v Baillie, 1725.*

The sale of Callendar was finally brought about in August 1783. The proven rental had shown a marked increase over the previous sixty-three years rising by £1,000 from £867 to £1,867 between 1720 and 1783.[279] Whereas in 1763, the lands brought to sale had been acquired by the old families without competition, this was no longer the case. An outsider, William Forbes was the successful bidder, offering more than the old family.[280] Forbes was typical of a new generation of businessmen. He was a Scot who had made a great deal of money in London and was anxious to return to Scotland to convert some of his new wealth into land. As he was unknown in Edinburgh he was asked to produce security to prove he could pay for the estate; this he did by producing a £100,000 note drawn on the Bank of England![281]

Despite his undoubted wealth Forbes showed little inclination to pay the price immediately. The total purchase price of the estate was £83,100 consisting of £16,600 for the barony of Almond or Haining and £66,500 for the barony of Falkirk and Callendar.[282] The upset price of the estate had been fixed at twenty-three times the annual value.[283] The fact that it fetched slightly in excess of forty-four times its yearly produce, giving a return of slightly over 2%, indiciates the keen competition to acquire the land. Clearly factors other than commercial interest were involved as the

---

279 Murray, York Buildings, p.105.
280 Ibid., p.100.
281 Ibid., p.101.
282 SRO GD171/120, Forbes of Callendar MSS, Petn. of W. Forbes, 28 May 1743.
283 Murray, York Buildings, p.105.

approximate yield on 3 per cent government funds in 1783 has been cited as 4.8%.[284] *Because of the social and political aspects of landowning, an excess of demand over supply is clearly indicated in the price paid for the Callendar estate.*

The purchase price was not paid immediately and by Whitsunday 1792, the total due by Forbes for principal and interest had amounted to £105,382.[285] *The original terms of sale included a clause stipulating payment at Whitsunday 1784, with interest at 5% per annum until that date, after which the rate fell to 4½%. In 1786, certain creditors obtained a right to the purchase money of the estate with the result that in the ensuing six years, the court issued a great number of warrants which Forbes paid to the company's creditors, gradually reducing his balance, in all paying £82,031 in this manner.*[286] *Among those in receipt of this money were such long-standing litigants as Martha Grove, who received £2,582 and the Cliftons, Grants and Suttons, families who had already received a considerable sum following the previous sale in 1764.*[287]

A further indication that commercial considerations were not the sole criterion of the Callendar purchase can be obtained from the fact that the interest charge from 15 May 1787 amounted to £3,719,[288] *or approximately twice the annual value of the entire estate. By April 1793 the actual debt*

---

284 Ashton, Economic Fluctuations, p.187.
285 SRO GD171/120, Forbes of Callendar MSS, Minutes on Retn. of W. Forbes, 8 July 1793.
286 Ibid., Retn. of W. Forbes, 28 May 1793.
287 Ibid., An account of Money paid by W. Forbes of Callendar.
288 Ibid.

had been reduced to around £1,051 of principal and interest which, subject to deductions he claimed, Forbes expressed himself willing to pay.[289]

The third lot of Callendar estate was purchased in 1783, on behalf of Sir Michael Bruce by one John Dundas for £1,400. Bruce later petitioned the Court of Session claiming that the interest rate of 4½% chargeable on all amounts outstanding after Whitsunday 1784 was exhorbitant and ought to be reduced to 3½%, the rate fixed by an act of 1777 relating to judicial sales. Bruce stated that he was not the only person to be so involved, and that the high rate was likely to cause them hardship.[290] The whole situation was complicated by the fact that purchasers were making direct payments to the company's creditors,[292] which delayed the whole process of payment. Thus liability to interest payments was not wholly the responsibility of the purchasers. The fourth and fifth lots of the barony of Callendar were purchased by James Bray and James Smith both writers in Edinburgh for £1,350 and £250 respectively but whether on behalf of themselves or of others cannot be determined.[292] From the company's point of view, the sale of the Callendar estate was a great success as it clearly demonstrated that inflation of land values was going to prove the ultimate solution to the company's problems.

---

289 Ibid., Petn. of William Forbes, 28 May 1793.
290 SRO CS232/Y11/13, Petn of Sir Michael Bruce, 8 July 1791.
291 SRO GD171/120, Forbes of Callendar MSS, Petn. of W. Forbes, 28 May 1793.
292 SL CSP 258;179, Report of Common Agent, 12 August 1791. Appendix.

5. *Kilsyth Estate.*

An examination of the affairs of the York Buildings Company in relation to the Kilsyth estate is important not only for the fact that it represented the only land acquired by the company in west-central Scotland, but also because it represents yet another facet of the complicated underhand dealings that were representative not only of the company as landowners, but were prevalent throughout its affairs.

The estate of Kilsyth in the south-western corner of Stirlingshire had been the property of William Livingstone, 3rd Viscount Kilsyth. In the middle of the seventeenth century its worth was estimated at £300 per annum,[293] and by the time of its sale to the York Buildings Company, the gross value was estimated at £835, deductions of £59 leaving a net rental of £776. At the sale in 1719, the company, through its agents purchased the estate for the gross price of £16,000, deductions only amounting to £51, leaving a net purchase price of £15,949.[294]

By an agreement dated 16 November 1721, Christian Cole and John Strachey, as agents of the company, granted a lease of the estate to James Stark, baillie of Kilsyth, for a term of nineteen years, at an annual rent of £800 free of cess, stipends and other duties.[295] The lease contained clear provisions for improvement, two trees having to be planted for each one cut down for repairs, and an oak, elm, ash or

---

293 Murray, York Buildings, p.104.
294 RHG Vol.1.p.595.
295 HCJ, Vol.22,p.183.

fir to be planted every 20 feet surrounding any land enclosed. The company reserved for itself the right to drain Dullater Bog, compensating its tenant for any loss sustained.[296] *No evidence has come to light to show if the improvement was compulsory. Cole was in fact in close correspondence with John Cockburn of Ormiston, a director of the company, in connection with its affairs and thus it is possible to trace the influence of Cockburn on this transaction. Stark was also to operate the coal mine on the estate, paying royalties, free of charges, of one-fifth of the produce. Mineral rights in more valuable metals such as gold,*[296(a)] *silver, lead, tin, iron and copper were retained by the company. The organisation also retained the right of superiority in entering vassals with the retention of all duties associated with this, except feu-duty. Such a provision was in distinct contrast to the Callendar estate, where such rights had been given to the tenants, who happened to be acting for the dispossessed families. Stark's lease was to become void in the event of two years' non-payment of rent.*[297]

Stark's tenancy appears to have been fraught with difficulties. Murray claims that after two years, Stark became bankrupt and was released from his tack by the company. He was then appointed their factor and for five years produced an average annual return of £634, the last year, 1726, producing

---

296 Ibid.
297 Ibid.
296(a) Precious metal production came within the scope of the royal prorogative. At some stage, therefore, this rifht must have been conceded to a previous lessee. S.G.E. Lythe, The Economy of Scotland in its European Setting, (Edinburgh, 1960), p.52.

only £522 for the company.[298] An examination of evidence given to the Commons committee examining the company's affairs in 1733 casts considerable doubts on Murray's arguments. A copy of a memorial stated by Fordyce to be from Stark in 1726 or 1727 stated he had worked the estate for three years but could not make a profit from it; the cost of enclosure would prove prohibitive and the whole affair was likely to ruin himself and his family. Despite Stark's claim of hardship the local inhabitants believed otherwise.. He kept the park for himself, but let out the rest of the estate to others, local opinion being that he netted more than he paid the company. The evidence also points to the fact that Stark did not surrender his lease until 1728. In a letter to Horsey dated 18 January 1728, Stark stated that he had offered to give up his tack on condition that he be appointed a factor on the same salary and allowances as other factors employed by the company. The tenor of his letter suggests he was offered less and was angry at this slight. Fordyce confirmed that Stark had been promised, before he surrendered his lease, that his account was to be settled as if he was a factor and not a tacksman.[299] It seems likely that evidence in this direction led Murray to the conclusion that Stark had in fact surrendered his lease around 1723 or 1724.

Further confusion arises from the fact that an account

298 Murray, York Buildings, p.48.
299 HCJ, Vol.22,p.184.

was drawn up as if Stark was a factor for the years 1722 to 1726. This showed arrears due by Stark of £351 and the fact that he had paid £230 on 14 September 1728, in respect of a balance due on current account between himself and the company. In all, the annual account stated an average of £785 had accrued to the company in each of the five years covered.[300] *In addition, contrary to a decision taken by the company, Stark was allowed a salary on the account, which may further have confused Murray. The whole manoeuvre was, however, merely an administrative convenience to get rid of Stark.*

The reasons behind the company's desire to absolve Stark from his lease were complex and tied in with the intricate internal machinations, which had being going since 1725, designed to bring about the sale of the estates to the forfeited families. Sir Archibald Grant, giving evidence to the Commons committee, stated that during Sir John Meres' governorship, he negotiated a possible sale of the estate to Lord Forrester, offering £14,000 or £15,000 together with £1,000 for arrears.[301] *Henry Cunningham of Boquhan, M.P. for Stirlingshire,*[302] *also told the committee of an attempt to buy the estate, this time on behalf of Kilsyth's relations. Cunningham entered into negotiations with Sir Archibald Grant, Benjamin Robinson and James Marye, all three of whom were directors between 1724 and 1726.*[303] *The price agreed was £16,000, £4,000 of which the company insisted be made as a down payment, the remainder being paid at £2,000 per annum with interest. As the company*

---

300 Ibid. p.190.
301 Ibid.p.184.
302 Sedgewick, Commons, Vol.1,p.597.
303 PRO T1/258/13, Extracts from Minutes; Daily Journal, 8 October 1726.

had not yet received valid title to the estates from the government as they had not yet been fully paid, the deal fell through.[304] *Cunningham said he did not know if Col. Horsey knew of the deal, and Horsey subsequently denied all knowledge of the affair.*

The position of Henry Cunningham in this affair deserves comment. Although a stanch Whig and a supporter of Argyll and Walpole, Cunningham as a commissioner of forfeited estates, and reputedly "the most honest fellow among them",[305] *was willing to enter into negotiations on behalf of Jacobite families. This, together with the involvement of Lord Milton described above,*[306] *indicates the concern of the Scottish landed classes generally that, if possible, the land forfeited should not be lost by the old families in perpetuity.*

After the failure of this scheme to dispose of the Scottish estates, the company proceeded to re-organise the leases of many of them, including Kilsyth. Stark certainly appeared willing to give up his tack on condition that his terms were met.[307] *This does not suggest a bankrupt but a man with a degree of bargaining power. On 9 June 1727, a general court gave the directors power to dispose of the estates provided this was consistent with the annuitants' security.*[308] *On 18 July 1727, the court of assistants agreed*

---

304 HCJ, Vol.22,p.184.
305 Sedgewick, Commons, Vol.1.pp.597-598.
306 Vide supra,p296.
307 HCJ, Vol.22,p.184
308 SRO CS228/Y1/38,York Bldgs Co v Carnegie, Minute of Co. 9 June 1727.

to recommend to a general court that Stark be released from his tack and the governor, Horsey, be empowered to find a suitable new tenant. Horsey said he had just such a person in mind.[309] *The following day a general court endorsed this decision, absolving Stark upon his accounting to the company as lessee or factor without a salary. Horsey was empowered to find a new tenant.*[310]

The new tenant whom Horsey had found was Daniel Campbell of Shawfield. Shawfield had gained a degree of notoriety in Glasgow when it was rumoured he had been responsible for tightening up the local customs service against the interest of the tobacco merchants. As a result, his house at Shawfield had been demolished by a Glasgow mob in 1725 as he was supposed to have been a promoter of the unpopular malt tax in that year. For this outrage he was awarded £6,080 compensation by the government and in 1727 he sold his estate at Shawfield using the proceeds and his compensation to buy the islands of Islay and Jura.[311] *At this time, therefore, Shawfield was clearly in the market for new land and was possibly attracted by the possibility of the Kilsyth estate coming on to the market as a result of the company's decision of 9 June 1727.*

Shawfield himself told the Commons committee that he had heard that there was a design by a syndicate to purchase some of the company's estates. As Kilsyth lay in his

---

309 Ibid., Minute 18 July 1727.
310 Ibid., Minute 19 July 1727.
311 Sedgewick, Commons, Vol.1.p.520.

neighbourhood, he was not willing to see it fall into the hands of opponents of the government. Consequently, he obtained an introduction to Col. Horsey, whom he had not previously met and proposed that he be granted a lease of the estate. He offered £500 per annum for a ninety-nine year lease. Horsey tried to raise the price to £600 but Campbell held out for his own price.[312] *Final negotiations with Campbell appear to have taken place soon after the general court meeting of 19 July, but it is fairly certain from the evidence of the minutes that prior discussions had taken place. Horsey stated that he was in favour of granting Campbell a lease as his influence could be of great use in advancing the company's cause in Scotland where it was unpopular as a result of its purchase of the forfeited estates.*[313] *Campbell, for his part said he was induced to take the lease as he had heard from Horsey that in 1726 or 1727 there had been a proposal by a group of the rebels' relations to purchase the estates.*[314] *Ironically, as we have already seen, Horsey had been an active supporter of this cause which had fallen by the wayside and now, by a complete volte face, was trying to dispose of the estates by arguing that he was keeping them out of rebel hands.*

It was later claimed that Campbell had in fact paid Stark to surrender his lease in order "to impose upon

---

312 HCJ, Vol.22,p.183.
313 Ibid., p.184.
314 Ibid.,p.185.

the company". It was also stated that the company was in fact offered £1,000 a year for the estate at that time.[315] *Although neither of these assertions can be corroborated, it is possible that pressure, financial or otherwise, was placed on Stark to surrender his lease and that his position was deliberately made out to be worse than it was to facilitate the granting of a lease, at a considerably lower rent, to* Campbell of *Shawfield.*

Whatever his political motives for taking a lease of the estate of Kilsyth, Campbell *appeared to have struck a sound commercial bargain. Accounts in the hands of the company showed that by prudent management, over £750 per annum could be raised on the estate, and the proven rental, at the time of the sale, had been fixed at around £775. Stark signed his final surrender on 28 February 1728, and on 12 March a formal lease was granted to* Campbell. *The terms were far more liberal than those granted to Stark.* Campbell *was not required to pay the royalties of one-fifth of the produce of the coal mines. Nor did the company reserve any rights to Dullater Bog or lay down provisions for the planting of trees. In addition,* Campbell *was given power to enter vassals and charge entry fees, which rights had been denied to tark. He was also given powers of patronage over parish churches on the estate.*[316] *As in the case of the*

---

315 SRO GD345/854/18 Grant of Monymusk MSS, Memo concerning affairs of York Buildings Co. in Scotland 1763.
316 HCJ, Vol.22,p.183.

Callendar estate, Campbell was given what amounted to proprietorial rights, for a small rent. It is little wonder that the creditors were to complain that his lease was to the disadvantage of the company.[317]

In the ensuing years, Horsey developed his link with Campbell. In December 1730 he applied to Campbell for assistance with credit. He entered into a joint bond with Horsey in favour of the Royal Bank and Lady Bute for £1,500. In May 1732, he advanced a further £7,282 to pay Sir John Meres who had obtained judgements against the company. Campbell also incurred further debts on the company's behalf, honouring bills for expenses at Strontian. In all, by 1734, he claimed the company owed him £10,262.[318] As a result of these transactions, Campbell had obtained an heritable bond from the company on 25 May 1732, whereby he was allowed to keep his tack duty from Whitsunday 1732 until the debt was repaid.[319] His right to retain the tack duty left Campbell sitting as a rent-free tenant with complete proprietorial rights.

Campbell tried to minimise his bargain. In 1733 addressing the Commons committee, he claimed he drew little more than £600 a year in rents and that he had spent over £500 in improvements. He also stated that the coal mine was let for twenty-one years rent-free, on condition that the lessees,

---

317 Ibid.
318 Guildhall Library Pamphlets Fo.Pam.631. Info. for D. Campbell 1765.
319 SRO CS271/9756, 'Answers for John Russell to Bill of Suspension of Daniel Campbell.

who included his second son, made a level which had already cost them £500.[320] By 1782, when the estate was brought to sale the family was estimated to be drawing £1,118 per annum.[321] In 1782, Walter Campbell of Shawfield purchased the estate at the judicial sale for £22,800[322] and it was stated that the price would have been higher had not the Campbells lease forty-four years still to run.[323]

Even after its sale, the York Buildings Company was still not free of its connection with the Kilsyth estate. In June 1783, Walter Campbell of Shawfield sold the estate to Sir Archibald Edmonstone, the final charter of sale being signed on 28 January 1789.[324] The Kilsyth family had been entitled to lands and salmon fishing rights on the River Tweed near Darnchester in Berwickshire. The charter of July 1731, which confirmed the company in possession of the Kilsyth estate, clearly stated that this land belonged to the company. Although the lease had not stipulated possession of these lands and rights, the Campbells had granted charters to vassals, although they had never drawn feu-duty.[325] Edmonstone claimed, therefore, that he should have similar rights and so the affair was once more fought over in the courts, at the expense of the company.

The events surrounding the estate of Kilsyth, therefore, demonstrate clearly that unwise or dubious decisions by the

---

320 HCJ, Vol.22,p.185.
321 SL CSP 400;60,York Bldgs Co v Edmonstone, Answers for Co. 23 February 1794.
322 SRO CS 232/Y11/58, York Bldgs Co v Campbell Petn of W.Campbell & ors.
323 SL CSP 400;60,York Bldgs Co v Edmonstone 1799 Answers for Co. 23 February 1799.
324 SL CSP 212;2,York Bldgs Co v Edmonstone 1798, Info for Edmonstone 26 June 1798.
325 SL CSP 400;60, York Bldgs Co. v Edmonstone, Answers for Co., 23 February 1794.

management could have long term detrimental effects on the company. Horsey's collusion with Campbell meant the company's rental income declined. The low rent and long term of the lease to Campbell ultimately affected its resale value and as purchasers, the Campbell family gained in yet another way, quickly reselling the estate. The weakness of the company in the face of such manipulation was cruelly exposed.

6. *The Estates of Fingask and East Reston.*

The proprietor of the estate of Fingask and Kinnaird, Sir David Threipland, can be considered as one of the more unfortunate victims of the 1715 Jacobite rebellion. He was known as

> *"a gentleman of good character and peaceable disposition, and beloved by his neighbours".* [326]

During the rebellion Threipland was in Perth where he held property, and was persuaded to remain there with the rebels. He did not surrender in time to escape the government's wrath with the result that he was attainted and forced to go abroad. He was soon allowed to return home, but this did not stop his property being confiscated. As a result of his loss he was forced to live on a farm on his own estate, for which he paid rent,[327] *under the name of Mr. Hume.*[328]

The estate of Fingask, including houses in the town of Perth, was purchased by the York Buildings Company in 1720

---

326 SL CSP F32;54, Threipland v Walsh & ors. 1779, Letter Mr. Buchan to T. Pembroke 1743.
327 Ibid. Case of Thriepland.
328 Murray, York Buildings, p.93.

for £9,606, deductions allowed amounted to £251, making the net price £9,355.[329] *In November 1722, Christian Cole and John Strachey, on behalf of the company, granted a nineteen year lease of the estate to Colin Kirk, a Writer to the Signet, at an annual rent of £480,*[330] *a fair rent as the value at the time of the sale had been assessed at £470.*[331] *The rent was to be paid free of all charges which was usual in leases granted by the company. There was a curious proviso to the lease. At the time the lease was granted to Kirk, the rent had been fixed, as we have seen, at £10 per annum above the approximate amount valued at the time of the sale. The company, however, had bought the estate at twenty times the annual rent which, at the time of the lease, had not been finalised. It was agreed, therefore, that if the price varied, Kirk would pay a rent equivalent to 5% of the final purchase price,*[332] *which, in the end, proved to be the original estimate of £9,606.*

Kirk soon regretted his bargain, and after two years assigned his lease to Patrick Ogilvie who held another estate in the locality. Although Ogilvie was reputed to be a frugal man, it was claimed that on his death, his son was obliged to sell the family estate and assign the lease of Fingask, which had brought about his troubles, to Sir Alexander Lindsay, who held the lease until its expiry in 1739 and

---

329 RHC, Vol.1.p.595.
330 SRO GD345/854/8, Grant of Monymusk MSS, Rental of York Buildings Co Estate; SL CSP F32;54, Threipland v Walsh Case of Threipland.
331 RHC, Vol.1.p.595.
332 SL CSP F32;54, Threipland v Walsh, Case of Threipland.

continued to occupy it by tacit relocation for several years.[333]

In 1742, negotiations were begun between the company and John Drummond of Meyinch, trustee for Sir David Threipland and his son, with a view to taking out a new lease. It was felt that the terms and conditions should be such as to encourage both the lessee and his sub-tenants to carry out improvements. Accordingly on 22 March 1745, Drummond was granted a lease for ninety-nine years at an annual rent of £480 free of all burdens. He was also required to keep the house of Fingask, the garden and park walls and the tenants' houses in good repair. The tenant was also required to plant a number of trees. The rent had to be paid in London and not on the estate requiring the lessee to bear the charge of remitting the funds to London. On these terms Drummond took possession of the estate and sometime afterwards assigned his lease to the Threipland family.[334]

Sir David Threipland and his son after him, held the estate without interference until September 1777 when the company tried to have the lease declared void. The company embarked on this course of action as it claimed that the lease had been made in March 1745 to avoid the imminent court decree forbidding the company granting leases on its estates.[335] *The first move in this direction had been made in the Court of Session on 2 February 1745. On 14 June the*

---

333 Ibid.
334 Ibid.
335 Ibid.

court granted the request while the state of the company's annuities, for payment of which the estates were security, was investigated.[336] *Consequently, the company claimed the lease was unfair as the rent did not reflect the value of the lands, particularly in the long term. In addition, the company complained that the tenants paid far more to Threipland than he paid to the company. The reason given for this was that the tenants paid mostly in grain and as the estate was situated in the fertile Carse of Gowrie the upward price of grain had been of great benefit to Threipland. The estate, it was felt , could be further developed to raise more money.*[337]

Sir Stuart Threipland denied the company's claims saying that the growing level of the charges he had to pay eroded his profits, as did the cost of paying his rent in London which had not affected his predecessors. Far from being in a fertile area, Threipland said only a small part of the estate lay in the Carse and that much of it was relatively infertile hill and muir ground. It was also claimed that two-thirds of the arable land produced inferior grain to that of the more fertile Carse. Threipland stated that as late as 1776 the money rent drawn from the estate had only increased by £13 over the thirty-four years the lease had run and the grain rent had risen by only 37 bolls, *the returns from the estate had been negligible and*

336 SL CSP 404;46, York Bldgs Co v Stewart, 1799, Petn of Co., 21 May 1799.

337 SL CSP F32;54; Threipland v Walsh, Petn. of Walsh, 1779.

the Threiplands had been forced to bear the loss if any tenants defaulted. Only in recent years as the price of grain had risen did Threipland feel he had made any money.[338]

By bringing this factor to the fore, Threipland in effect highlighted the company's motive for moving against its tenants. The creditors were anxious for money and the estates were obviously increasing in value as rising commodity prices made them more desirable. Sitting tenants on such levels of rent as Threiplands clearly affected the price. Fingask, in fact, only realised £12,207 a mere £2,600 more than was paid for it in 1720, and as it was sold to Sir Stuart Threipland, it remained in the hands of the old family.[339]

The same problem was not apparent in the small estate of East Reston in Berwickshire, purchased in 1720 for £2,364.[340] *Originally under the management of William Adam*[341] *on behalf of the company, it was leased to John Wauchope for £100 per annum for nineteen years from Whitsunday 1729.*[342] *This was a considerable drop on the commission's valuation of £224.*[343] *When sold to George Home, Writer to the Signet, in 1779, this estate fetched £7,300, over three times the original purchase price.*[344] *Thus an estate unencumbered by a long lease was able to command a greater price.*

---

338 *Ibid.*
339 *SL CSP 258;179, Report of Common Agent, 12 August 1791. Appendix.*
340 *RHC, Vol.1.p.595.*
341 *Vide supra. p320.*
342 *SRO GD 345/854/8, Grant of Monymusk MSS, Rental of York Buildings Co. Estates.*
343 *RHC, Vol.1.,p.595*
344 *SL CSP 258;179, Report of Common Agent, 12 August 1791. Appendix.*

7 WIDDRINGTON ESTATE.

In contrast to the reasonable amount of information which has been found concerning the York Buildings Company's Scottish estates, little data have come to light concerning its administration of the estate of Lord Widdrington in Northumberland. The estate was purchased in March 1720, the price being £57,100. The annual rent at this time was £1,809 gross, £1,683 net. Thus the company had paid the equivalent of over thirty-one and a half years' rent for the property.[345] *This made the return on Widdrington potentially much less than the company's Scottish properties which were generally acquired at around twenty years' purchase. The most likely explanation for this difference was that in England, unlike Scotland, there was no great sympathy for the ~~forfeited~~ rebel families and thus more open competition for the purchase of their estates. This is confirmed to some degree by the fact that the upset price was originally fixed at £35,000 and then forced up to £57,100 by auction.*[346]

No information has come to light to show how the company administered the estate in succeeding years. In January 1732 the company, hard-pressed to meet its debts, made the estate over to trustees to be sold to pay its bond creditors.[347] *By 14 March 1735, the gross rental of the estate stood at £2,684 and, after deductions £2,332 net.*[348] *Thus, unlike the*

345 PRO T1/248/53, Memo of Forf. Estates Comms. to Treasury, 1724; RHC, Vol.1,p.595; HCJ, Vol.24, p.799.
346 Weekly Journal or Saturday's Post, 2 April 1720.
347 HCJ, Vol.24, p.799.
348 RHC, Vol.1,p.674.

Scottish estates where the net rental fell during the period,[349] *Widdrington appears to have been soundly managed, perhaps because the revenues did not pass through so many hands before finding its way into the trustee's coffers. The mansion house at Widdrington was, however, allowed to fall into neglect so that by 1745 it was uninhabitable and in danger of falling down. The surrounding park and its environs, however, had been let to tenants "at the utmost improved rent."* [350]

The trustees were frustrated in their attempts to sell the estate as they could not acquire a valid title to the land. Proper conveyance had been held up as the company had not paid the full purchase price due to a dispute with the government over deductions to be allowed against the cost.[351] *In 1740 the Lord Chancellor held that, subject to the demands of the Crown on the estate and the setting aside of £30,000 for the annuitants, the property could be sold to satisfy the creditors of the company. In 1745 Parliament was petitioned to expedite the sale. The committee considering the petition stated that by selling the estate at almost thirty-two years purchase, the government had originally obtained more than it could reasonably have expected. The committee held, however, that as four members of the Forfeited Estates Commission were required to sign a conveyance and only three remained alive, the assistance of Parliament was required to resolve the situation.*[352]. *Consequently, on 5 April 1745 a committee*

---

349 Ibid.pp.595,673.
350 HCJ, Vol.24, p.821.
351 RHC, Vol.1,p.593.
352 HCJ, Vol.24, p.822.

of the whole House of Commons decided that if the outstanding principal sum of £5,128 was paid, the surviving trustees would be empowered to give a conveyance to the trustees.[353] The government, it would seem, was willing to forego interest payments to achieve a rapid settlement.

The Widdrington estate was acquired by the Revel family but the price cannot be determined.[354(a)] Thus it has proved impossible to make any meaningful comparison with the Scottish estates or indeed to make any but the most general points concerning the company's affairs at Widdrington.

8. Conclusion.

The fact that the York Buildings Company was the largest corporate landowner in Scotland for much of the eighteenth century[354] should, in theory, have put the company on a sound economic footing. As with the other areas of its activities however, the company faced severe problems on its estates. In this area, as with the industrial developments, distance proved a major obstacle. Local agents and factors had to be appointed and often were accused of lining their own pockets at the company's expense. The disarray in which the company's affairs stood made such exploitation easier. Machinations within the company made it possible for men such as Campbell

---

353 Ibid.p.856.
354 L. Timperley, "The Pattern of Landholding in Eighteenth Century Scotland", in M.L. Parry and T.R. Slater(eds.) The Making of the Scottish Countryside, (1980) p.151.

354(a)Burke's Landed Gentry, (1898 ed), Vol.II, p.159.

of Shawfield to force down the company's rental income to their own benefit. Attempts to develop the industrial potential of the estates such as the schemes at Winton too often proved to be ineptly or corruptly handled and once again led to losses for the company. The passing of control to the annuitants who were only interested in securing sufficient revenue to ensure payment of their debts and were not concerned with the long-term development of the estates, also worked against the long-term interests of the company. Nor were the tenants at all keen on long-term investment despite the presence of Cockburn ofOrmiston and Grant of Monymusk among the directors and tenants of the company and despite the granting of long leases to many of the tenants. Such investment was clearly of a long-term nature[355] *and even the most noted improvers would be unwilling to lay out considerable sums of money on improvement to the York Buildings Company's estates as they were unlikely to prove the ultimate beneficiaries. In cases such as this, tenants would appear to have been mainly concerned with achieving the maximum return on the minimum possible outlay.*

The political climate also acted against the company. There was still a strong feeling for the Jacobite families even among the Hanoverian establishement in Scotland, which

---

355 T.C. Smout, "Scottish Landowners and Economic Growth, 1650-1850", Scottish Journal of Political Economy, Vol.11(1964), p.229.

justified Horsey's attempts to bring about the sale of the estates in 1726. Added to this there was the trouble of remitting money between Scotland and London which resulted in additional costs to the company.[356] *Considering that Horsey alone among the English-based directors seemed aware of the nature and extent of the problems facing the company in Scotland, it is hardly surprising that the company should fail to organise its affairs in Scotland on a stronger footing.*

It was the changing political and economic climate which finally led to the York Buildings Company being able to satisfy many of its creditors by the ultimate disposal of its estates. Although no one bid against the old families when the first group of estates was sold in 1764, it was a different story in the late 1770s. Any estates bought by the families of erstwhile rebels were acquired in the face of stiff competition from outsiders. This being said, it must be remembered that the York Buildings Company's estates did not come onto the market at the most auspicious time. The country was in the midst of the American War of Independence,[357] *and higher taxation and interest rates had brought about the bankruptcy of some landowners as well as diverting some funds away from the purchase of land.*[358]

---

356 For details of the problems involved in transmitting money to London see Anon., "The Royal Bank and the London-Edinburgh Exchange Rate in the Eighteenth Century", Three Banks Review, No.38, (June 1958); S.G. Checkland, Scottish Banking, A History, 1695-1973,(1975),pp.32-33, 122-124.

357 For details of the economic impact of the war on Scotland see M.L. Robertson, "Scottish Commerce and the American War of Independence", Economic History Review, Vol.9,(1956-57); T.M. Devine, The Tobacco Lords,(Edinburgh, 1975).

358 Ibid.pp.20-21.

Also the collapse in 1772 of Douglas, Heron and Co., the Ayr Bank, had led to the sequestration of many of its landed proprietors, placing estates to an estimated value of around £750,000 on the market.[359] *Despite these drawbacks, it is indicative of the increasing desire of many of those individuals who had made money in trade and industry, such as William Forbes, to move into land with its great social and political prestige, that the land market remained reasonably buoyant despite the upsurge in supply enabling the York Buildings Company to make considerable capital gains. Although there may be some grounds for claiming that in the long term the York Buildings Company's ownership of such great areas of land had only a transient effect on the patterns of landholding in eighteenth century Scotland,*[360] *in the short-term there is no doubt its effect on the lives of many rural Scots was considerable.*

---

359 H. Hamilton, 'The Failure of the Ayr Bank, 1772,' Economic History Review, Vol.8, 1955-56 p. 415.

360 Timperley, "Landholding" p.151.

CHAPTER 6.

THE CHARITABLE CORPORATION.

The relationship between the York Buildings Company and the Charitable Corporation was of immense significance to both organisations. An unsuccessful attempt at a merger, an overlap in directors and a fraudulent attempt by officials of the Charitable Corporation to manipulate York Buildings Company stock for private gain, all served to increase the public notoriety of both concerns. Therefore, an examination of these links and an investigation of the affairs of the Charitable Corporation, in so far as they affect the York Buildings Company, is necessary in order to set the latter in its wider context.

The Charitable Corporation was established by letters patent from Queen Anne on 22 December 1707, with the full title, The Charitable Corporation, for the relief of Industrious Poor, by assisting them with small Sums upon Pledges, at Legal Interest.[1] The Corporation was empowered to raise a stock of not less than £20,000 or more than £30,000.[2] If £20,000 was not raised within eighteen months, or if the capital fell below this sum,[3] the corporation could have its patent annulled at twelve months notice. A subscription of £30,000 was taken, and three hundred shares of £100 each were issued.[4] Management was left in the

1. The full powers of the corporation are set out in Carr, Select Charters, pp.256-263.
2. Scott, Constitution and Finance, Vol.3.p.380.
3. Carr, Select Charters, p.259.
4. RHC, Vol.1.p.367, Further Report on the Charitable Corporation(1732).

hands of a committee of seven people who were accountable to the body of members through a general court of proprietors. It was, in effect, a large scale corporate pawnbroker, as it was empowered to lend out its funds "for the relief of industrious poor, upon goods, wares, pawns, and pledges, as should be desired."[5] The corporation was specifically forbidden to indulge in banking or to employ banking methods. It was also forbidden to issue notes or bills payable upon demand, except notes issued on the security of goods pawned. It was also banned from lending money at interest except upon its own joint-stock or fund.[6] Specific steps had been taken to ensure that the corporation would not encroach on the Bank of England's monopoly by backstairs methods.

In the period 1708-1709, the corporation appears to have made a brief foray into the insurance business, becoming one of the first organisations to insure household goods and stock-in-trade, against fire. Before this such insurance had been confined to buildings.[7] No evidence has come to light to explain why the corporation entered this field, or why the practice was discontinued.

For the next decade, the corporation appears to have achieved very little.[8] Affairs, however, took an upward turn in 1718. On 26 June, a general court came to two decisions which signified increased activity. Members voted to convert their share capital

---

5. Ibid.p.539. Report relating the the Charitable Corporation(1733).
6. Ibid.p.365-366.
7. Supple, Royal Exchange Assurance,p.8; Scott, Constitution & Finance, Vol.3.p.380.
8. PRO.C11/519/6,Charitable Corporation v Grant, Answer of Grant; RHC, Vol.1,p.366.

from three hundred shares of £100 each to twelve hundred shares of £25 each. William Higgs, the secretary, claimed this would assist a scheme he had devised to pay the corporation's debts. Unfortunately the details of the scheme and the amount of the debts at this time were not stated at the meeting.[9] Such a division would make the shares easier to dispose of, and could be taken to imply there was a reasonable demand for the shares. At this meeting the general court appointed a cashier, a warehouse-keeper, an accomptant-general and two book-keepers, a further indication of increasing activity.[10]

This trend was confirmed by a further general court on 20 March 1719. Members decided that all pledges above 6d. in value were to be charged interest at 5% per annum, the maximum rate allowed by law. Pledges between 6d. and 2s.6d. in value were to be subject only to interest but those worth over 2s.6d. were to bear charges calculated at 6%. Pledges of 2s.6d. and under were not to exceed 10% of the total amount pledged. It was claimed that this would make the overall charge equivalent to 5% on all pledges, and with 5% interest would yield a rate of 10% to the corporation.[11] In fact charges would work out at a rate of 5.4% and the net return would be nearly 10.4% on sums advanced as a slight deduction would have to be made for interest-free pledges below 6d. In reality the rate would be much less. At the time of borrowing the customer had to pay 5% towards the charges.

---

9. Ibid.,p.401.
10. Ibid.
11. Ibid.,pp.401-402.

If he redeemed his goods within three months, he received a rebate of three-quarters of the charge; within six months, one half and within nine months, one-quarter. After nine months, a whole year's charge had to be borne by the debtor. A further indication of increasing trade was shown by the fact that two surveyors of the warehouse were appointed at salaries of £50 per annum, with the duty of valuing the pledges.[12] On 11 July 1719, counsel was of the opinion that reasonable charges could be made so long as it was not intended to increase the interest rate above the legal maximum, and the corporation did not make contracts for storing goods usuriously.[12(a)] Finally, at this meeting, the shareholders approved a series of instructions to all officers clearly outlining their duties and the conduct expected of them.[13]

The result of this upsurge in activity was that the corporation's funds were no longer able to meet the demands upon them. Consequently, it was resolved to seek authorisation for an increase in capital. In support of its application the corporation claimed that its shares had not been the subject of stock-jobbing, as had so many others, "to the great detriment of the public credit." On 22 June 1722, the corporation was granted a royal licence to increase the capital to £100,000.[14] There seems to have been no steps taken to implement the measure until 1725, when a great expansion of activity took place.[15]

12. Ibid.p.402.
12(a) SRO.GD345/853/29, Grant of Monymusk MSS, Opinion of Sir E. Northey, 11 July 1719.
13. RHC, Vol.1.p.366.
14. Ibid.p.365.
15. Ibid.p.367.

In the years between 1722 and 1725 a significant move had taken place behind the scenes. The Charitable Corporation was controlled by the founder and secretary, William Higgs, and an indeterminate number of friends. The debts of the organisation at the end of 1723, stood at £4,000 to £5,000. It was felt that in order to remove this, Higgs needed help to run the corporation. Consequently, on 24 February 1724, Higgs entered into an agreement with William Lilly and William Dale to assist him. For a payment to Higgs of £250, the two men were brought into the corporation. Decisions were to be taken by a majority of the three.[16] Lilly and Dale had connections with the York Buildings Company, having been members of the committee managing it at the time of its expansion in 1719-1720.[17] In 1721 they had been involved with Case Billingsley and William Squire in the purchase and resale of the Mines Royal and Mineral and Battery Works to Peter Hartop and Sir Fisher Tench.[18] Tench, Lilly, Hartop and Squire were all associated with the Charitable Corporation in 1726. Tench as a member of the committee, the others in the new capacity of assistant, a new post created that year.[19] There is no mention of Dale at this time, and it is possible he was no longer directly involved in the management of the Corporation.

Soon after Dale and Lilly entered into their agreement with

16. SRO.GD.345/853/1.Grant of Monymusk MSS,Agreement between Higgs, Lilly & Dale, 24 February 1724.
17. PRO.C11/1816/11 Westmoreland v York Buildings Company.
18. PRO.C11/672/24. Tench v Billingsley, Complaint of Tench and Hartop, 19 October 1726.
19. <u>RHC</u>.Vol.1.,p.366,369.

Higgs, an attempt was made to establish close links with the York Buildings Company, which, if successful, would have meant a virtual take-over of the Charitable Corporation by the latter concern. Murray states that "the arrangement was a singularly complex one" which his sources did not quite make plain.[20] A copy of the minutes of a general court held on 21 September 1724, at which the proposal was submitted to the stockholders of the York Buildings Company, though, does serve to clarify the details of an extremely interesting proposal.[21]

Sir John Meres, governor of the York Building Company, informed the general court of that organisation, that negotiations with the Charitable Corporation had been taking place for some time. The two organisations had come to a broad level of agreement to allow the Charitable Corporation to issue £100,000 worth of York Buildings Company bonds. The bonds were to be of two categories, the first consisting of £70,000 worth of bonds bearing interest at 4% per annum, the second, bonds to the value of £30,000 being interest free. All bonds were to be for a term of seven and a half years. The proceeds of the bonds were to be used by the Charitable Corporation. In return, the Charitable Corporation was to pay the York Buildings Company £5,000 per annum, in quarterly instalments, for the entire period of the bonds. Secondly, during the currency of the bonds, or as long as any part of £100,000 was outstanding, the

---

20. Murray, York Buildings, p.33.
21. BM.Add MSS.36262.ff222ff. Copy Minute of General Court of York Buildings Co. held 21 Sept. 1724. The terms of the agreement outlined in this section are derived from this source.

York Buildings Company was to be able to nominate or appoint four persons to the committee of the Charitable Corporation. If any of the four persons so chosen died, or were removed from office for any reason, the York Buildings Company was to nominate their successors. All such nominees had to ensure they were qualified to hold office in the Charitable Corporation calling for a shareholding in each organisation. As the committee of the Charitable Corporation consisted of seven members, this would have given the York Buildings Company effective control of the Charitable Corporation. Matters which seemed to run contrary to the agreement had to be passed by the general courts of both companies; neither organisation could push through such a measure unilaterally.

The control to be excercised by the York Buildings Company was further emphasised in the arrangements for handling the bonds. The committee of the Charitable Corporation had the power to put these bonds on the market at a premium or a discount as they though fit. Presumably this would be governed by market forces at the time of issue. The bonds would be handled by the chief cashier of the Charitable Corporation, who was to be nominated by the York Buildings Company, and the appointment confirmed by a general court of the Charitable Corporation. The same procedure was to be adopted in the appointment of warehousekeepers, accountants and other employees of the corporation. The Charitable Corporation was to meet the cost of the day-to-day running of its business, such as employees' salaries. If any employees were to be dismissed, the Charitable Corporation had to make a case for such a move to the York Buildings Company. If this was agreed, the latter

would nominate a successor. In effect, therefore, the York Buildings Company would have controlled the entire operation. The only effective power the Charitable Corporation would have left would have been the day to day conduct of its pawnbroking business, and the disposal of York Buildings Company bonds. Other decisions would, effectively, be taken by the York Buildings Company.

The agreement allowed the Charitable Corporation to deduct from the annual payment of £5,000 due to the York Buildings Company, any sums owed to the corporation by way of interest on the bonds held by the cashier on behalf of the corporation at each due date. Such payments were to be endorsed on the back of the relevant bonds. As security for payments due to the York Buildings Company all pledges with the corporation were to be held in trust for the company and were not to be used as security for any other debts. The Charitable Corporation was to protect the York Buildings Company's security by insuring all pledges worth £10 or more against fire.

The Charitable Corporation was to keep separate books and accounts for their bond debts and interest; and money lent on pledges. It was to be from the latter that the annual payment of £5,000 was made. After seven years, the Charitable Corporation could begin to pay off the bond debt to the York Buildings Company. The latter was to pay any interest due on the bonds, less any amounts outstanding on the annual charge. As the bond debt decreased the annual charge was to fall proportionately.[22]

22. Ibid.

The financing of the deal was to be by a curious, and as it turned out, dubious method. York Buildings Company stockholders were to transfer half of their stock to the company, for which they were to be given receipts bearing interest at a rate of 4% per annum. These were to be exchanged for the bonds issued to the Charitable Corporation, when that organisation returned them to the York Buildings Company at the end of the seven and a half years agreement.[23] A further proposal, added later, was that if the York Buildings Company exchanged for cash, or circulated £30,000 of bonds, the Charitable Corporation would pay a premium of 2% which would add £600 to the sum due to the York Buildings Company.[24]

The rights of the existing and any future annuitants under the York Buildings Company's various lottery projects were to be protected. The bonds to be issued to the Charitable Corporation were not to take precedence over the rights of annuity bond holders. At a meeting, the annuitants pressed for a guarantee from the York Buildings Company to this effect, and a resolution incorporating this was passed unanimously. In fact the annuitants had held a meeting before the general court to discuss their position and had then attended the general court.[25]

The scheme was approved by the general court of the York Buildings Company. The meeting empowered the governor, assistants and committee of the company to bring the agreement into effect.

---

23. PRO.T1/258/13, Extracts from York Buildings Co. Mins.21 Sept.1724.
24. BM.Add MSS 36226f227, A proposal to the York Buildings Co.
25. Weekly Journal or British Gazeteer, 26 September 1726.

They were also empowered to negotiate any minor amendments they thought necessary. There is some doubt as to the nature of the majority for the resolution. One newspaper claimed that the motion was agreed to unanimously, as it was obviously of benefit to both organisations.[26] The minutes of the meeting, though, show that a fair degree of opposition was expressed, both by shareholders and annuitants.[27] The objection was to the idea that shareholders be compelled to transfer half of their stock to the company. It was later claimed that this be made optional but that Meres altered the minutes of the meeting to make it appear compulsory. When questioned about this at a further general court on 2 October, 1724, Meres adjourned the meeting, on the grounds that business could not be transacted as the directors, newly elected for the ensuing year, had not taken their oath of office. Again it was claimed that Meres altered the minutes to show that the decision to make the transfer compulsory had been confirmed.[28] The annuitants fought back, complaining in a memorandum to the Treasury on 13 January 1725, that their security was being jeopardised by the proposed scheme, and asking the Treasury to intervene on their behalf.[29] The company made the expected reply that the scheme was meant to be of benefit to all.[30]

Some members of the Charitable Corporation seemed less than pleased with the arrangements. Opposition to the plan had

26. Ibid.
27. PRO.T1/258/13 Minutes of York Buildings Company.
28. Ibid.; Du Bois, English Business Company, p.430.
29. PRO.T1/255/6. Complaint of Annuitants.
30. Ibid. Reply of York Buildings Company.

in fact been voiced in the columns of the Daily Journal on the day of the York Buildings Company meeting, in a letter from three correspondents identified only by the initials T.M., C.K. and J.S. It has been impossible to identify any of these three with certainty, although the latter was possibly one, J. Strangways, sometime director of the Charitable Corporation.[31] They claimed that, despite statements to the contrary, several members of the Charitable Corporation present at a general court of that organisation on 10 September 1724, on behalf of themselves and absent members who, together, held more stock than those at the meeting voting for the motion, had protested against the idea.

The objectors voiced five objections to the scheme as it stood. Firstly, they felt the Charitable Corporation was virtually giving itself away to the York Buildings Company by granting the latter a majority on the committee and control of its officers and books. Secondly, they saw the proposal as a circulation of paper credit contrary to the Charitable Corporation charter, the Bank of England monopoly and the 'Bubble' Act. Thirdly, they stated the fact that the method proposed to raise stock, was against the company charter and there was a risk of legal sanctions, again under the 'Bubble' Act, if it was implemented. Fourthly, the objectors declared that they had attempted to ensure the scheme was approved by an eminent lawyer before it was agreed to implement it. This had been rejected by the general

31. One, J. Strangways, signed a minute of a general court on 26 June 1718 in the capacity of chairman, RHC.,Vol.1.p.401.

court of the Charitable Corporation. Finally, the objectors felt that the annual charge of £5,000 was too heavy. The corporation, they said, would not be able to meet it, or to pay a dividend.[32]

This opposition brought a swift retort from one of the scheme's supporters. He claimed the Charitable Corporation would be able to employ the money borrowed to such an extent that a profit of £4,800 would accrue to the corporation in the first year. As to the criticism, he felt this amounted to "impertinence, Billingsgate and falsities meriting only contempt."[33] This brought a reaction from the critics in the same journal who, far from agreeing with the profit figures, claimed a loss of £9,360 was likely to be incurred by the Charitable Corporation in the first year of operations. The problem they foresaw was that many bonds would stay in the hands of the corporation, and that they would thus gain only 4% in interest, whereas if they were circulated and cash obtained, this could be put to work for the corporation and produce a return of 10%[34]

Despite Mere's success in guiding the scheme through the York Buildings Company's meeting, it was never implemented. As we have seen, the annuitants complained to the Treasury,[35] who ordered that the complaint be sent to the company.[36] However, there is no indication of further action by the department. The idea appears to have been finally abandoned when the Solicitor-General, Sir Clement Wearg advised Sir John Meres that the

---

32. Daily Journal, 21 September 1724.
33. Ibid.
34. Ibid. 7 October 1724.
35. PRO.T1/255/6 Complaint of Annuitants.
36. PRO.T29/25/2 Treasury Minute, 15 January 1725.

scheme, as well as being ruinous to both concerns, was illegal.[37] The company, however, went ahead with the issue of bonds, which were given for the half stock transferred to the company.[38]

One must ask why this scheme was conceived in the first place. Unfortunately, the parliamentary committee investigating the affairs of the Charitable Corporation in 1732 did not probe this matter, merely noting that the plan had not been implemented.[39] However, one can deduce certain possibilities from the limited information available. In the first place, the critic who accused the corporation of attempting to enter the banking field, was probably not far from the truth. Although forbidden to bank, and restricted in the issue of notes by its charter, there was nothing to stop the corporation borrowing money, in this case in the form of bonds and thus distributing the paper of other companies. The corporation could, therefore, raise money from the market by pushing out York Buildings Company bonds. The company, for its part, would gain the £5,000 annual charge, less, £2,800 per year interest on £70,000 of bonds at 4%. The York Buildings Company was not obliged to pay out any money for seven and a half years. It was also secured by the corporation's pledges which would ensure payment when pawned goods were redeemed or put up for sale on forfeiture. The bonds would have been put into circulation by means of giving them for large pledges. This would have been

---

37. Du Bois, English Business Company, p.430.
38. Vide supra, Ch.3.p.83-85.
39. RHC. Vol.1.p.376.

made possible as the corporation had a tendency to act for the genteel poor, as well as the industrious poor specified in the charter. For example a receipt can be found in the Grant of Monymusk Manuscripts dated June 1727 showing £15 given to Mr. Archibald Grant in return for a pledge of a gold watch and stone ring.[40] The corporation was thus liable to receive pledges of sufficient value and find people who were willing to accept this method of payment. Clearly, therefore, this system savoured of banking and it is little wonder Sir Clement Wearg felt it was illegal.

A second reason for the development of the scheme arises from an examination of those concerned with both organisations. At the time the agreement was drawn up, Sir John Meres was governor of the York Buildings Company and Joseph Gascoigne was an assistant, both elected for the years commencing 2 October 1723 and 2 October 1724. Archibald Grant and William Squire were elected assistants on 2 October 1724 and Thomas Hayley, a nephew of Sir John Meres, an assistant in 1723, was elected one of the committee chosen to help the directors of the York Buildings Company in 1724.[41] All of these men had clear links with the Charitable Corporation. On 26 October 1725, Gascoigne, Grant (now Sir Archibald having succeeded his father to the baronetcy of Monymusk) and Meres were elected to the committee of the Charitable Corporation. When the new post of assistant was

40. SRO.GD345/573/Grant of Monymusk MSS, Receipt from Char. Corp. to Mr. A. Grant; Scott, Constittuion and Finance, Vol.3.p.380.
41. PRO.T1/258/13, Minutes of York Buildings Co.

created by the corporation on 7 April 1726, Squire and Hayley were among those chosen for this office, as was William Lilly.[42] A further link is demonstrated by the fact that Richard Lilly, son of William Lilly,[43] was an assistant of the York Buildings Company from 2 October 1723 to 2 October 1724.[44] By October 1726, none of these individuals remained in the management of the York Buildings Company. The only remaining link between the two corporations was that Benjamin Robinson, elected a director of the York Buildings Company in October 1726,[45] was chosen an assistant of the Charitable Corporation on 22 December 1726.

On 3 February 1727, the York Buildings Company sent a memorandum to the Treasury stating Sir John had been guilty of mismanagement and requesting whatever aid could be given to it in order to help pay off the debt the company owed to the government.[46] The most likely explanation for this whole series of events, therefore, is that Meres, together will all or some of a group consisting of Gascoigne, Grant, Hayley, William Lilly and Squire devised the scheme among them. Sir John Meres was the main link owning at least £72,000 of York Buildings Company stock and two-fifths of the Charitable Corporation shares.[47] The scheme, therefore, would have strengthened his hold on both operations. This had all the features of the type of operation carried out in the boom period of 1719-1720. The Charitable Corporation was in a semi-moribund state and was ripe for development.

42. RHC. Vol.1.p.366.
43. EU.Library Laing MSS.11.693, State of Process Sir John Meres v York Buildings Co.
44. PRO.T1/258/13. Minutes of York Buildings Co.
45. British Journal, 8 October 1726.
46. PRO.T1/258/13. Memo of York Buildings Co. to Treasury.
47. Ibid.; Du Bois, English Business Company, p.430.

Lilly we know to have been definitely involved in the Charitable Corporation from 1723. It is likely the others bought their way in after that date. When the plan to co-operate with the York Buildings Company fell through, the group opted to expand the Charitable Corporation. Whether these individuals, apart from Meres, were forced out of the York Buildings Company or stepped down voluntarily cannot be determined. Also no list of directors elected in 1725 has come to hand and so one cannot determine exactly when this group left the management of the York Buildings Company, though Hayley, at least, still appears to have been an assistant in November 1725.[48]

The reason behind the scheme can probably be put down to four basic factors. In the first place, Meres desired to tighten his hold on both organisations and saw this "merger" as a suitable way of achieving it. Secondly, Meres had already been involved in making a profit out of the discounting of York Buildings Company bonds[48(a)] and could, with his associates be able to do this on a much wider scale through the Charitable Corporation. Thirdly, for the York Buildings Company there was the attraction of a guaranteed cash return in exchange for paper which would help its cash flow problems. Fourthly, Meres and his associates would benefit from the artificially created profits under this agreement, and the increase in the price of stock which could come out of it. In the aftermath of

48. PRO.T1/258/13 Minutes of York Buildings Company.
48(a)Ibid.

the York Buildings Company meetings of 21 September and 2 October 1724, it was possible to sell the half stock remaining to each proprietor for more than the whole stock would have fetched immediately before the potential link between the two organisations was announced.[48(b)] In that respect the agreement was successful though it is not known to what extent, if at all, Meres and his associates attempted to benefit from the situation.

Although frustrated in their attempts to do business through the York Buildings Company, the Charitable Corporation was still anxious to build up its handling of commercial paper. The Corporation submitted questions on this matter to Sir Clement Wearg, the Solicitor-General, who replied on 4 March 1726[49] just over a month before his death from a violent fever on 6 April.[50] The intentions of the corporation were clear. It wished to issue notes, but was warned by Wearg that care would have to be taken in the working, to ensure the statute preserving the Bank of England's monopoly was not broken, and that the corporation's own charter was not broken by banking. The corporation also made it clear, it wanted to work towards a minimum pledge of around £5, but Wearg reminded the organisation that its primary function was to help the poor, which implied small pledges without a minimum value. Significantly, the corporation asked, that if it was legal to issue notes, could the notes exceed the original authorised capital of £30,000 paid in or could it issued notes to

48(b) *Vide supra* p85.
49. SRO.GD345/853/14, Grant of Monymusk MSS, Opinion of C.Wearg, 4 March 1726.
50. Sedgewick, *Commons*, Vol.2.p.526.

the amount of £100,000, the amount to which the authorised capital had been raised, without paying any more into its capital account. At this time paid-up capital was £27,500. Wearg stated the implication of the charter was that the fund was to be lent, and therefore, sums outstanding should not exceed the paid up capital. However, as there was no express restraint in the charter, if the corporation could justify a note issue, it could be made in excess of £100,000.[51] From the nature of the questions put to the Solicitor-General, it is clear that the company intended to enter a financial market far more sophisticated than the pawning of goods by the industrious poor.

The reason for seeking Wearg's opinion was that the corporation was in the process of drawing up and preparing notes. A court of committee on 2 March 1726, had ordered one thousand notes to be printed, before Wearg's opinion had been published. On 11 March, at a court of committee, the notes were ordered to be made payable to Jeremiah Wainwright, the accountant, who was required to endorse them. On 31 March 1726, the cashiers were ordered to account for cash received, disbursed and remaining in hand, every Tuesday. This was never complied with, and the Commons committee investigating the company in 1732 claimed that if this system had been applied, the company's officers would not have been able to commit embezzlement on a large scale. The issue of notes, which added to the corporation's

---

51. SRO.GD.345/853/14,Grant of Monymusk MSS,opinion of C.Wear.., 4 March 1726.

problems, had reached £110,115, by the time of the Commons committee's investigations.[52] Even at this early stage, therefore, the company's expansionist aims outran its willingness and ability to keep a proper check on its affairs, and the conduct of its officers.

The expansionist aims of the Charitable Corporation were also to be seen in the restructuring of its share capital between 1725 and 1730. On 2 November 1725, the nominal value of each share was reduced from £25 to £20, on 25 October 1726, this was further dropped to £10, and on 28 March 1727, the value became £5. During this time, calls were being made with the result that by Michaelmas 1728, the paid up capital was £101,000,[53] slightly above the authorised limit of £100,000. It was felt by the directors that this was insufficient for the corporation's needs, and as a result of an affidavit by William Oaker, one of the committee, and behind the scenes pressure by Sir Robert Sutton, a royal licence was granted on 21 June, 1728, raising the authorised capital to £300,000.[54] It is possible that the directors had tried to obtain an indefinite increase in capital. Philip Yorke, Attorney-General, in an opinion to the king on 24 February 1728, clearly advised against such an action in the case of the corporation, stating that a definite sum was usual in such a case, had been a definite precedent with the corporation, and should also be adhered to on

52. RHC, Vol.1,pp.373-374.
53. Ibid. p.367.
54. Ibid. p.365.

this occasion.[55] On 11 March 1729, the additional £200,000 was divided into forty thousand shares of £5 each to be divided among proprietors in proportion to their holdings of existing stock. By 30 September 1731, £163,109.10s.0d. had been paid in on these new shares, representing 32,621.9/10 shares.[56]

While the corporation was still collecting in money upon its larger share issue, it sought to increase its authorised capital still further by the creation of yet more shares. On 31 July 1730, as the result of an affidavit of William Burroughs, one of the committee. the corporation received permission to raise its authorised capital to £600,000.[57] On 6 November 1730, this addition was devided into sixty thousand shares of £5 each and, like the previous issue, was to be allocated to the holders of the original shares in proportion to their holdings of that issue. However, by 30 September 1731, only 18,141.3/5 shares had been paid for, raising £90,708. In all, therefore, 70,763½ shares were issued and fully paid out of a total of 120,000 authorised shares. The total amount of capital paid in amounted to £353,817.10s.-d.[58] The £1,000 overpaid on the original £100,000 appears to have been conveniently lost with no explanation for its disappearance.

The committee of the House of Commons investigating the corporation in 1732, was critical of the means of obtaining the two major increases. Whereas the first rise to £100,000 was

55. BM.Add.MSS.36141 f550ff., Hardwicke Papers, opinion of P. Yorke, 24 February 1728.
56. RHC.Vol.1.pp.367-368.
57. Ibid.p.365.
58. Ibid.p.368.

approved initially by a general court, the second and third increases were obtained secretly, at the behest of individuals, without the consent of a general court, or even it was said, a court of committee.[59] In fact some of the committee were lining their own pockets by ensuring that the increase was not made public until October 1728. Sir Robert Sutton was behind this scheme and was reputed to have made thousands of pounds out of stag deals when the new issue came out, and the price rose.[60] Sir John Meres was active at this time, but as a seller, Meres had not been informed of the licence to increase capital, and thus lost a great deal of money.[61] It would seem, therefore, that Meres was no longer in control of the corporation and that a new group, including his erstwhile colleagues had taken over.

The way in which the Charitable Corporation was allowed to expand shows that, as with the York Buildings Company, the government was unable, or even unwilling to check corporate expansion if an organisation had obtained its charter before the 'Bubble' Act. The crown, before allowing the increase of 21 June 1728, did not bother to check if the claims being made on behalf of the Corporation were correct. It was stated by Sutton that the company had exhausted its capital in lending out money under its charter.[62] This view was accepted by Yorke when he recommended that the increase be granted.[63] In fact, by this date, not all of the current authorised capital

---

59. Ibid.p.365.
60. Sedgewick, Commons, Vol.2.,p.457.
61. RHC,Vol.1.p.379.
62. Sedgewick, Commons,Vol.2.p.457.
63. BM.Add MSS,36141 f551, Hardwicke Papers, Opinion of P. Yorke, 24 February 1728.

had been called up, the last being due by the end of July 1728.[64] Sutton later claimed he was misled by his colleagues who supplied the information, but this was not generally believed in the House of Commons who voted for Sutton's expulsion from the House on 4 May 1732, following the Commons investigation of the corporation.[65]

The policy of the Charitable Corporation was determined by a comparatively small group of people as shown in Table 6:1.

TABLE 6:1

Committee Members elected 25 October 1725 - 21 December 1731.

	Date of first election	Date of leaving direction if before 1732
Sir Robert Sutton	25 Oct.1725	-
Sir Fisher Tench M.P.	25 Oct.1725	22 Dec.1726
Sir John Meres	25 Oct.1725	23 Dec.1729
Denis Bond,M.P.	25 Oct.1725	-
Joseph Gascoigne,M.P.?	25 Oct.1725	5 May 1726
William Oaker	25 Oct.1725	23 Dec.1729
Sir Archibald Grant,M.P.	25 Oct.1725	-
John Eccleston	7 April 1726	5 May 1726
William Burroughs, M.P.	5 May 1726	-
Robert Mann	5 May 1726	-
Sir Thomas Mackworth,M.P.	22 Dec.1726	22 Dec.1727
William Aislabie,M.P.	23 Dec.1729	-
Walter Molesworth	23 Dec.1729	-

Sources: RHC Vol.1.pp.438 & 450; Sedgewick,Commons,Vols.1 & 2,passim.

In a period of just over six years, only thirteen people occupied the seven committee posts chosen each year by election. Of these people, three, Bond, Grant and Sutton served from 1725 until the massive fraud was brought to light in 1732. Two men, John Eccleston and Joseph Gascoigne served for less than a year, Sir Thomas Mackworth for exactly one year and Sir Fisher Tench

64. RHC, Vol.1.p.398.
65. Sedgewick, Commons, Vol.2.p.458.

for a little over one year. It was later claimed by Benjamin Robinson, one of the assistants to the committee that Bond, Grant, Burroughs and Mann were the most active directors.[66] The latter two were elected on 5 May 1726 at the expense of Gascoigne and Eccleston. It seems likely, therefore, that the election of Burroughs and Mann was contrived by some of their associates on the board.

The scope of the management was widened by the creation of the post of assistant to the committee, a position not specified in the corporation's charter. This caused the idea to be rejected at a general court on 24 March 1725, but on 7 April, this decision was reversed, and eleven assistants chosen.

TABLE 6:2

Assistants to the Committee Elected 7 April 1726 - 31 December 1731.

	Date of First Election	Date of Retiral if Before 1732.
Benjamin Collier,M.P.	7 April 1726	22 Dec.1726.
Robert Gardner	7 April 1726	22 Dec.1727
Peter Hartop	7 April 1726	22 Dec.1727
Thomas Hayley	7 April 1726	22 Dec.1727
George Jackson	7 April 1726	-
William Lilly	7 April 1726	Died 17 Feb.1727
William Oaker	7 April 1726	22 Dec.1727
William Squire	7 April 1726	-
James Wilkinson	7 April 1726	22 Dec.1726
Rowland Aynsworth	7 April 1726	22 Dec.1726
Thomas Watts,M.P.?	7 April 1726	22 Dec.1726
Benjamin Robinson	22 Dec. 1726	-
Charles Waller	22 Dec. 1726	-
Thomas Beake	22 Dec. 1726	-
John Moody	22 Dec. 1726	-
John Torriano	22 Dec. 1726	22 Dec. 1730
Francis Whichcoate	22 Dec. 1727	-

Sources: RHC Vol.1.p.439; Sedgewick, Commons,Vols.1 & 2 passim; PRO C11/1863/12 Billingsley v Lilly,Complaint of Billingsley.

66. RHC.,Vol.1.p.398.

A general court on 5 May 1726, gave the assistants power to sit on the court of committee, with the same rights as full committee members.[67] However, the number of such assistants fell from eleven in April 1726, to seven by December 1730. Of these men only Jackson and Squire served for the entire period. Squire, together with Torriano, before the latter quarrelled with his associates and was ultimately disqualified from holding office, were reckoned to be the principal managers along with Bond, Burroughs, Grant and Mann.[68] The links between the Charitable Corporation and the York Buildings Company have already been examined. Clear links can also be traced with the Company of Mine Adventurers of England. Sir Thomas Mackworth, a committee member, and Charles Waller, an assistant were involved with the Mine Adventurers as deputy governor and governor respectively. George Robinson, later to be banker to the corporation was treasurer to the Mine Adventurers.[68(a)] It is interesting to note that on 22 December 1727 Hartop and Hayley who could be reckoned to be associates of Sir John Meres or of Sir Fisher Tench, left the management. This removed the greatest threat to the group who came to control the operation and undoubtedly made their frauds easier, although Tench's son, William remained as cashier and was undoutedly party to the defalcations.[69] No evidence has come to light to show if these men left the management of the corporation voluntarily or were voted out.

67. Ibid.,p.407
68. Ibid.,p.398
68(a)PRO.C11/93/16 Mackworth v Robinson 1732; Gentleman's Magazine, Vol.1 November 1731.p.497.
69. Sedgewick, Commons, Vol.2,p.465.

One distinct feature of the government of the Charitable Corporation was the high number of Members of Parliament involved. Seven men can be clearly identified as members, and a further three bear the same names as men known to have been members.[70] Of the three possible M.P.'s Joseph Gascoigne is the least certain. A Benjamin Collier sat as member for Great Grimsby from 1722 - 1727;[71] this seat was later held by Sir Robert Sutton (1734-1741) where he had "considerable property".[72] It seems possible, therefore, that Sutton introduced Collier into the management of the corporation although he served less than a year. Thomas Watts, M.P. was a noted business man and secretary and cashier of the Sun Fire Office. He was also one of the noted business figures of the city at this time.[73] Again it seems possible that he had connections with the corporation, but like Collier only served for a few months, leaving in December 1726. Of the inner group who controlled the corporation, Bond and Grant were members subsequently to be expelled for financial misconduct, Grant with the corporation and Bond for shady dealings in forfeited estates a month before the Charitable Corporation scandal led to Grant's expulsion, Burroughs had served in the Commons for only a few months in 1722 accepting an office of profit under the crown when his election was contested.[74] Thomas Beake, although not a member, was clerk of the Council and brother of Gregory Beake, M.P. for St. Ives.[75] The directors,

---

70. Ibid. Vols.1 & 2, passim.
71. Ibid. Vol.1.p.567
72. Ibid. Vol.2.p.458
73. Ibid. p.525.
74. Ibid. Vol.1.p.509.
75. Ibid. p.448.

therefore, had strong links with the government and establishment, and this was undoutedly to be of use to some of them when the scandal of the corporation's affairs broke in 1732.

The new group controlling the Charitable Corporation made several important decisions in a little over a year which were to have considerable repercussions in the ensuing years. On 25 November, 1725, John Thompson was appointed warehousekeeper.[76] Thompson was an Edinburgh man and by profession, a merchant. During his tenure of office with the Charitable Corporation he continued his business trading to Spain and Portugal and, on occasions, to Russia. Among his customers were many of the directors of the Charitable Corporation including Bond, Burroughs, Grant, Jackson, Mann and Squire. Thompson was also a notorious Jacobite.[77] The position of warehousekeeper was an important one in that the holder had control over what goods could be received upon pledges, he verified the owner's right to the goods and determined what could be paid on them.[78] As a check on him, a surveyor of the warehouse was appointed. The surveyor's duty was to report on the value of pledges against sums advanced. By September 1726, Thompson had arranged for the removal of Clarke, the person appointed surveyor, and from this time forward, there was no real check on Thompson.[79] Sir Archibald Grant later claimed that Clarke, an upholsterer, had only been hired on a temporary basis to value pledges then in the warehouse,

---

76. RHC.Vol.1.p.368.
77. Ibid., p.381; Ian J. Simpson,'Sir Arch. Grant and the Charitable Corporation' SHR.Vol.44(1965),pp.53,55.
78. RHC.Vol.1.pp.403-404, outlines the precise duties of the warehousekeeper.
79. Ibid. p.369.

and had never held a position of trust for which he was required to produce security.[80] Grant also stressed that the removal of Clarke was not designed to make things easier for Thompson,[81] but in view of later events this denial does not carry a great deal of conviction. Grant also stated that a committee of assistants looked at the matter and would have acted if they felt any irregularities had occurred.[82] However, the committee was clearly under the influence of the group involved in later frauds and thus one feels their investigation would not be too thorough. By a decision of the court of committee on 28 July 1727, Thompson was empowered to advance up to £2,000 on any one pledge, any higher sum requiring the consent of the committee.[83] This clearly took the corporation into the world of high finance, and well beyond the original aims of keeping the industrious poor out of the hands of rapacious pawnbrokers. It also placed a great deal of power over the corporation's finances on the hands of one man without adequate checks and safeguards. Thompson was soon to take full advantage of his access to the corporation's funds.

The aims of the corporation in the financial field were further shown by a decision of the court of committee on 18 November 1726. It was decided that in future, persons wishing to pledge goods could do so either on their own behalf, or through a broker.[84] This meant that those dealing through a broker could

---

80. SRO.GD.354/573/11. Grant of Monymusk MSS,Case of Sir Arch.Grant.
81. PRO.C11/519/6 Charitable Corporation v Grant, Answer of Grant.
82. Ibid.
83. RHC.Vol.1.p.370.
84. Ibid.

ensure that their names did not appear in the corporation's books. In effect, it paved the way for the raising of money on fictitious pledges. The Commons committee investigating the corporation found that at Michaelmas 1731, over £320,400 worth of pledges unredeemed were attributable to a group of brokers, some or all of whom were agents for John Thompson. Of this amount, £204,902 appeared either jointly or individually in the names of Richard Wooley and Thomas Warren.[85] Of this total, only two items were for less than £1 and most were considerably in excess of £100. Warren and Wooley were in fact employed as assistant warehousekeepers by the corporation, with the task of sorting out goods for sale. They also circulated handbills to the effect that those using their services as nominal pledgers would have their business conducted with the utmost dispatch and secrecy. Wooley and Warren charged 5s.0d. per cent for their services.[86] Warren said pledges were made in his name, about which he knew nothing, and Wooley admitted to signing bills without seeing goods. However, Wooley declared he had never resorted to signing blank bills or knowingly agree to fictitious pledges. The Commons committee claimed that large sums of money had been lent in these names for which there were no pledges.[87] Right from the start, therefore, the use of brokers led to abuse and fraud which the Charitable Corporation's system of checks proved inadequate to detect.

---

85. Ibid.pp.408-420.
86. Ibid.p.370
87. Ibid.p.370-371

This trend in the corporation's affairs is further demonstrated by a contract entered into by the corporation with Thomas Jones, its auctioneer, on 19 August 1726.[88] For a period of seven years, Jones was to borrow £60,000 per annum from the corporation. Goods pledged as security could attract loans of two-thirds of their value. For this Jones was to pay 5% in interest and 5% for charges. Jones agreed to take £30,000 in notes at 3%, for which he was to be allowed 2% for handling them. For any goods that he sold, Jones was to be allowed 2% of the value, less charges, which included an allowance to him of £1 per day during each sale of goods.[89] The corporation appears to have done little to further this agreement, preferring instead to support Warren and Wooley, whom Jones claimed had just emerged from bankruptcy and soon became rich men.[90] In 1732, unredeemed pledges in Jones' name stood at £3,015.15s.1¼d. all of them dating from the period 2 August 1726 to 18 February 1727.[91] The corporation also appointed Jones as sole auctioneer and manager of its sales,[92] an agreement they soon broke by having private sales.[93] Jones said his efforts to do business were also frustrated by some unnamed committee members and assistants who threatened to undermine his contract unless he shared his profits with them. It was to this end that Warren and Wooley were employed as assistant warehousekeepers.[94] The sums involved in Jones' contract, though, and the fact that notes were

88. Ibid. pp.420-421,sets out the contract in full.
89. Ibid. p.374.
90. Ibid.
91. Ibid.p.414-415.
92. Ibid.p.421.
93. Ibid.p.374.
94. Ibid.

to be issued, confirmed the fact that it was large loans rather than small pledges in which the corporation was now interested.

The extent to which the corporation was prepared to deal in notes can be further shown by an agreement between the company and George Robinson, who had acted as banker to the corporation since 1726,[95] and was also its circulating cashier.[96] By an agreement dated 1 March 1729, to run for three years, Robinson was to handle notes to the value of £120,000 per annum for which he was to receive £1,200, payable in quarterly instalments.[97] This agreement was also important in that it extended the official role of George Robinson within the corporation. Robinson, however, was already involved in clandestine dealings with some of the directors of the Charitable Corporation. These activities were to grow in scale and prove the undoing both of the corporation and of some of those involved in it.

George Robinson was a banker and broker. He also acted as treasurer of the Company of Mine Adventurers of England and acted as cashier and broker to Sir Thomas Mackworth, deputy governor of the Mine Adventurers, in his copper business. As a stock broker, Robinson had a reputation of ruining his clients.[98] Among those who were indebted to him through stock dealings were Sir Archibald Grant, William Burroughs and William Squire, directors of the Charitable Corporation. John Thompson giving

---

95. Ibid.p.375.
96. Ibid.p.541.
97. Ibid.p.423.
98. PRO.C11/93/13,Mackworth v Robinson 1732; PRO.C11/381/109 Mackworth v Royal Exchange Assurance; Sedgewick, Commons, Vol.2.p.386.

evidence to a committee of the Commons investigating the corporation in 1733, said Robinson was certainly the "bane" of all three before they were involved with the Charitable Corporation, and all were indebted to Robinson for large sums. Part of Grant's debt had to be settled by the liquidation of a mortgage of Sir William Garden upon a Scottish estate on which Grant's father had originally advanced the money.[99] Robinson, therefore, had a hold over his clients which he exerted to the full. Burroughs, Grant and Squire, together with George Robinson and John Thompson embarked upon a scheme that was to have immense repercussions both on the Charitable Corporation and the York Buildings Company.

The evidence given by Thompson to the Commons committee in 1733, indicated there was not one plot, but two, involved in what was to become the Charitable Corporation scandal. The double plot involved two groupings known as the partnership of five and the partnership of four. The partnership of five was formed in October 1727, and consisted of Burroughs, Grant, Squire, Robinson and Thompson. Money was to be raised by Thompson on fictitious pledges and invested in Charitable Corporation shares which were then above their par value of £5 per share.[100] The partnership of four, Burroughs, Squire Robinson and Thompson, was established in February 1728, at a time when Grant was in Scotland. It was claimed that the partnership of four was necessary to act against a move by

---

99. RHC,Vol.1.p.546.
100. Ibid.p.545.

people in the city of London to petition parliament concerning the affairs of the corporation, and it was felt that as Grant stood neither to gain nor lose by transactions being carried out under an agreement to fight this threat he should not be part of it, and moreover, he was not to know of the moves or the agreement. The whole affair of the partnership of four was very curious as transactions carried out during Grant's absence related both to the partnership of four and the partnership of five.[101] What is significant is that, from the very beginning, there was mistrust and deceit among the partners and this was to be reflected in all of their dealings.

Deceit was certainly apparent in the conduct of Robinson who was cheating his partners from the outset. It had been decided by the partnership of five that the sums raised by fictitious pledges, and recorded by Thompson as warehousekeepers, should be given to Robinson, as he was the most suitable person, being a stockbroker in Exchange-alley. Money was raised in advance of purchase of the first group of shares and before the purchase of each succeeding group of shares. The money for the second and subsequent groups of shares had to be raised in advance as Robinson had misappropriated the first amount of cash as soon as it came into his hands. When the shares were purchased they were put in the names of friends of Robinson, to avoid detection. However, from these

101. Ibid.p.545.

persons the shares were transferred into the names of others from whom Robinson had borrowed money, and thus they were, in effect, alienated from the partnership of five who had been involved in defalcations to purchase them in the first place.[102] Therefore, because of previous indebtedness, and now by outright theft, Robinson was drawing his partners into a situation where they would be forced to condone and abet his felonies.

The dealings of the two partnerships in Charitable Corporation shares were extensive, as can be seen from Table 6:3.

TABLE 6:3.

Charitable Corporation Shares Acquired By The Partnerships of Four & Five.

	1st Licence 1722	2nd Licence 1728	3rd Licence 1730	TOTAL
Share Capital	£100,000	£300,000	£600,000	
Shares @ £5 each.	20,000	60,000	120,000	
Shares Acqu'd for Four	2,785	5,570	8,355	16,710
Shares Acqu'd for Five	4,340	8.680	13,020	26.040
	7,125	14,250	21,375	42,750
Less Privilege Shrs.not pd.for	-	1,450	9,701	11,151
Shares acqu'd and pd.for	7,125	12,800	11,674	31,599
Par Value of shares pd for	£35,625	£64,000	£58,370	£157,995
Percentage of Share Capital.	35.63	21.33	48.64	

Source: RHC, Vol.1.p.427.

Under the schemes devised by the corporation for extending its share capital, existing shareholders were entitled to new shares in proportion to their holdings, and this would account for the increases in columns 2 and 3.[103] Many of the shares acquired per column 1 came from Sir John Meres. In all 5,000 shares were acquired from Meres, 70.1% of all the original shares acquired. A further 480 shares (6.7%) had been held by Meres, Bond and Oaker

102. Ibid.p.545.
103. Ibid.pp.367-368.

in trust for William Lilly[104] who had died on 17 February 1727.[105] As we have noted, Meres had been kept unaware of the licence of 1728, and although he later claimed to have known of it, this was only an attempt to put a brave face on the fact that he had lost a great deal of money by the deal.[106] Meres would appear to have been liquidating his holding to finance other schemes in which he had an interest, and by December 1729 he had left the direction of the Charitable Corporation. Effectively though power had already been taken from him by those involved in the clandestine partnership.

The dealings of Sir John Meres, though, were to prove awkward for the partners. Sir John had previously been the largest shareholder in the Charitable Corporation - his holding in 1724 being estimated at two-fifths of the shares, a total of 1,600 shares which were then in £25 units. These were ultimately reduced to £5 units which made Meres holding 8,000 shares.[107] Of these, as we have seen, 5,000 had been sold to the partnerships of four and five. Meres had disposed of a further 2,400 shares at £7.10s.-d. to pay for his newly acquired interest in William Wood's proposed Company of Ironmasters, which was designed to exploit a patent for smelting iron using coal.[108]

William Wood had entered into an agreement with the Mines Royal and Mineral and Battery Works, of which Meres was governor, and his nephew, Thomas Hayley, treasurer, as a result

---

104. Ibid.pp.425-426.
105. PRO.C11/1863/12,Billingsley v Lilly,Complaint of Billingsley.
106. RHC.Vol.1.p.547.
107. Du Bois,English Business Company,p.430.
108. J.M.Treadwell,'William Wood and the Company of Iron Masters' Business History,Vol.16,(1974)pp.97-112 for the wider implications of the scheme.

of which, up to £40,000 was to be advanced to Wood in return for Wood's selling iron only to the Mines Royal and Mineral and Battery Works. Another £20,000 would appear to have been necessary for bribes to get the scheme approved by the Mines Royal and Mineral and Battery Works.[109] Wood's organisation received around £38,000, made up of £18,000 in Charitable Corporation shares (Meres 2,400 shares at £7.10s.-d.) £14,000 in subscription receipts, and the rest in cash.[110] This gave William Wood a substantial block of Charitable Corporation shares, which the partners were afraid he would put on to the market and upset their own dealings.[111]

A complicating factor in the situation was that Wood's scheme was opposed by Thomas Tomkyns who held a rival patent. Three of Tomkyns partners were Sir Archibald Grant, George Robinson and Sir Thomas Mackworth.[112] The first two, as we have seen were in partnership to deal in Charitable Corporation shares, now threatened by the activities of their rival in the iron industry. There is no evidence to link the partners with Mackworth over Charitable Corporation share dealings but he was connected with Robinson in the Temple Mills Brass Works. Thompson claimed that Mackworth received from Robinson, funds embezzled from the Charitable Corporation, which amounted to a sum greater than the value of all the effects of the works.[113] It was these side issues which helped make the Charitable

109. Ibid.,p.103.
110. Ibid.,p.106.
111. RHC.,Vol.1.p.392; Treadwell, Bus.Hist.,p.108.
112. Ibid.
113. RHC.,Vol.1.p.545.

Corporation fraud so complex and difficult for the Commons investigating committee, and later historians, to unravel.

The reaction of the principal participants to later revelations is significant. William Burroughs, giving evidence to the Commons committee in 1732, and, in 1735, replying to a bill of complaint brought against him by the corporation in the Court of Chancery, denied all knowledge of embezzlements other than those he claimed to have been made by Higgs, the Secretary , those of a former warehousekeeper named Rook, and of course those later found to have been committed by Robinson and Thompson.[114] In reply to the Chancery bill, he stated that sales of Charitable Corporation shares in fact raised more money than was borrowed to pay for them and thus there was no need to borrow money to pay for shares as the corporation claimed. He declared that evidence to the contrary, supplied by Thompson, was untrue.[115] Sir Archibald Grant also denied knowledge of embezzlements before the Commons committee, and in reply to a bill of complaint lodged against him in the Court of Chancery. As with Burroughs, in the light of other evidence, the denial seems weak.[116] The assertions of Grant and Burroughs are distinctly undermined when one examines the reactions of the partnership of five with regard to the purchase of York Buildings Company stock, and the manipulations of that company with regard to its lead mining ventures.

---

114. PRO.C11/520/11 Char.Corp.v Burroughs(1735),Answer of Burroughs. RHC.Vol.1.p.391.
115. PRO.C11/920/11 Char.Corp.v Burroughs(1735),Answer of Burroughs.
116. C11/519/6.Char.Corp.v Grant,Answer of Grant;RHC.Vol.1.p.391.

Sometime in 1729, the exact date cannot be determined, Burroughs, Grant and Squire found out that Robinson was defrauding them. Robinson's actions came to light when the prices of Charitable Corporation shares rose, and the partners found they could not sell their holdings as Robinson had put them beyond their reach.[117] The price of Charitable Corporation shares had in fact gone up from £6 to £10 and more.[118] No exact dates for this rise were given but the evidence suggests this was between 1727 and 1729. Burroughs, Grant and Squire could do nothing about Robinson as they were already indebted to him for other transactions. The only way out of their dilemma was in fact to become even more deeply involved with Robinson.[119]

The answer appeared to lie with the York Buildings Company. Grant and Sutton had become partners with the Duke of Norfolk and others in the lease of lead mines at Strontian in Ardnamurchan in north-west Scotland.[120] The outlook for the mines seemed favourable and it was decided by the partnership of five to try to arrange for the sale of the mines to the York Buildings Company, with the idea of bringing about a rise in York Buildings Company stock. To further this plan, it was proposed that Squire be elected to the management of the York Buildings Company.[121] Squire was duly elected as an assistant of that company in October 1730.[122] Squire was no stranger to the management of the York Buildings Company having been an assistant

117. Ibid.,p.545.
118. PRO.C11/520/11 Char. Corp.v Burroughs(1735) Answer ofBurroughs.
119. RHC.Vol.1.p.545.
120. Vide supra,Ch.4.
121. RHC. Vol.1.p.543.
122. Daily Journal, 3 October 1730.

in 1724.[123] Before Squire's election, though, the mines had been leased to the York Buildings Company, so his brief must have been confined to keeping a watch on the partners' interests. Grant and Burroughs were to go to Scotland where they already held an interest with Robinson and others in lead mines at Morvern, not far from Strontian,[124] and were to promote the interests of the new venture from that end. The plan was well executed. The partners laid out money in preparing the mines before they were leased to the York Buidlings Company, Burroughs share alone amounting to £1,591.[125] The ploy was successful in that the mines were sub-leased to the York Buildings Company at an annual rental of £3,600, considerably in excess of what they were worth. The governor of the York Buildings Company, Col. Samuel Horsey, pursued and entered into this agreement despite contrary advice from Francis Place, the company's mining expert.[126] It has not been possible to determine if this was bad commercial judgement on Horsey's part, or if he was party to the scheme. The transaction, fuelled by rumour, was sufficient to help push up the price of York Buildings Company stock.

It was later stated that the aim of the syndicate was to acquire as much York Buildings Company stock as possible, then to buy parcels of stock from jobbers who sold "bears" i.e. those who sold in anticipation that the price would fall, allowing them to buy the stock back at a lower price. By holding on

---

123. PRO.T./258/13, Extracts from Minutes.
124. RHC.Vol.1.p.545.
125. PRO.C11/520/11 Char.Corp. v Burroughs(1735) Answer of Burroughs.
126. *Vide supra*, Ch.4.

to a large proportion of the stock and because of favourable rumours, the syndicate would ultimately have been able to sell out at a handsome profit. It was also rumoured that the group was dealing in East India Company stock as well, but this cannot be substantiated.[126(a)]

York Buildings Company stock was quoted at 15¼ on 1 January, 1729.[127] The price reached a maximum of 16 in early August,[128] but had sunk gradually with occasional upward movements, to 14.5/8 by the end of November.[129] Unfortunately, prices for December are missing, but the trend was undoutedly upwards as the price had reached 19 by the turn of the year.[130] The price fluctuated downwards until the beginning of March 1730[131] reaching 15¼, after which the trend was again in an upward direction and by the beginning of August 1730 it had once more returned to 19.[132] Thus the partners would appear to have been purchasing stock steadily at this stage, as the general movement of prices was gradual rather than spectacular.

The price of York Buildings Company stock held steady for most of the month of August1730, but after the 21st, the rise was steep. On 1 September, the price quoted in the Daily Journal was 24¼. by 23 September, the same newspaper showed it had reached 30, and around 2 October, it went as far as 38, the highest peak since June 1725. On 2 October, a report appeared in a newspaper to the effect that the York Buildings Company had

---

126(a)SRO.GD.345/780/15,Grant of Monymusk MSS,Letter W.Grant to Sir A.Grant, 1 December 1735.
127. Daily Courant, 2 January 1729.
128. Ibid., 8 August 1729.
129. Daily Journal, 29 November 1729.
130. Ibid. 1 January 1730.
131. Ibid. 7 March 1730.
132. Ibid. 1 August 1730.

six ships on the way to Scotland, which were expected to return in about six weeks, laden with ore. This, it was claimed, was the reason for the rise in the stock.[133] It was later claimed by Thompson that the feeling at the time was that the price would go still higher.[134] This proved unfounded as the price gradually fell back indicating that some sectors of the market felt it was overvalued at that level. By the end of October the price had sunk to 31.1/8,[135] and despite a few small rallies, finished the year at 29.1/8.[136]

Rumour alone was not sufficient to account for the steep rise in the price of York Buildings Company stock. The upward movement must have been assisted by the large purchases made on behalf of the partnership of five. Thompson later claimed that £500,000 of stock was involved in the scheme.[137] The exact amount of stock purchased cannot be determined with accuracy because of the complex nature of the dealings which involved the use of different individuals names to hold stock on behalf of the group, and also because no records of Robinson's dealings can be traced. However, the inventories of the estates of directors give us an indication of the level of transactions.[138] On 1 Janaury 1731, William Burroughs claimed he was entitled to £156,000 of York Buildings Company stock, in his own name or held for him by others. He in turn had £69,500 of stock for others including £23,000 for William Squire, £1,500 for Sir

133. Daily Courant, 2 October 1730.
134. RHC.Vol.1.p.545.
135. Daily Journal, 31 October 1730.
136. Ibid. 31 December 1730.
137. RHC.Vol.1.p.545.
138. Estates of Directors of the Charitable Corporation(1732)passim. [Hereafter identified by the names of individual directors.]

Archibald Grant, £7,000 for John Thompson, and £33,000 in joint account for himself, Squire, Grant and Thompson. Including his share of the joint account, therefore, Burroughs had a holding of £94,700 of York Buildings stock on 1 January 1731, valued at 29%, an actual value of £27,477.10s.-d.[139] On the same date Sir Archibald Grant was entitled to £111,500 of stock either in his own name, or held for him by others, which, at 29, was worth £32,335.[140] Of this stock Grant claimed £57,000 worth was purchased at prices from 12 to 18, £10,000 at 21, £10,000 at 25¼, £14,500 at 29 and £20,000 from 30 to 32.[141] In view of the fact that York Buildings Company stock was also bought and sold by Robinson,[142] the figure for dealings must have been considerably in excess of £250,000 of stock though it is impossible to state how near this came to Thompson's estimate of £500,000. The acquisition of, and dealings in holdings of the level acquired by Grant and Burroughs must have affected the price of York Buildings Company stock, and this is reflected in the figures we have for Grant's dealings. These manipulations, rather than mere rumours were likely to be the basis of the price rise although the latter would probably have some effect.

The dealings which followed the decision to speculate in York Buildings Company stock were, for the most part, dishonest, but at times they bordered on the farcical. Burroughs said that in 1730 it was agreed that Thompson was to provide him with

---

139. Burroughs' Estate,p.7.
140. Grant's Estate,pp.708.
141. Ibid.,p.8.
142. RHC.Vol.1.p.545.

money raised from the sale of Charitable Corporation shares to purchase such amounts of York Buildings Company stock as he, Burroughs, could conveniently buy. Transactions in this account continued until the early months of 1732.[143] Having already been cheated by him, Burroughs, Grant and Squire decided to keep Robinson's involvement to a minimum. Robinson had put York Buildings Company stock into friends' names, but his partners required that he give them notes for this stock, which were lodged with Thompson. Unknown to his partners, Robinson called on those who held the stock, pretended to have lost the notes, and persuaded them to surrender the stock which he then sold out at high prices.[144] Thus, according, to Thompson, Robinson had

> "cut their throats a second time, whilst they were satisfying themselves with the prospect of paying everyone what they owed as their share to the company" 145

The partners faced with ruin turned on Robinson, who tried to divert them by pretending to raise £100,000, on the strength of his interest in the Temple Mills Brass Works. Thompson went to the works and saw copper, valued at several thousand pounds, but failed to get possession of it. Thompson claimed he had refused to see Robinson since the discovery of the sale of York Buildings Company stock and threatened to reveal the whole episode. At a meeting at Pontac's Coffee House, the others persuaded him to abandon this idea, upon Robinson promising to account for the stock, which he

---

143. PROC11/520/11. Char. Corp. v Burroughs(1735) Answer of Burroughs; Burroughs' Estate, p.33.
144. RHC., Vol.1.p.545.
145. Ibid.

never did, nor, as Thompson claimed, was it ever his intention.[146] The most astonishing fiact of the whole affair is that Grant, Squire and Burroughs appeared to be naive enough to trust Robinson a second time, and allow themselves to be defrauded yet again. It serves to highlight the extent to which he had ensnared them by means of over-extended share dealings.

Thompson claimed that one of the reasons the partners suffered so much, was that they each had individual interests in Charitable Corporation shares and York Buildings stock, in addition to that held on Joint account. If they had avoided this, Thompson claimed, the effects of the disaster could have been lessened. He said that this was particularly true in relation to Charitable Corporation shares, where, if all shares, other than those held by Robinson, had been sold when the price was high, the balance due to the corporation could have been reduced. Thompson stated that he tried hard to persuade the partners not to make the same mistake, when dealings started in York Buildings Company stock. The difficulty here was that each partner believed he had the largest holding of York Buildings stock, and as the price rose, they were jealously watching one another. Thompson claimed that to avoid a repetition of previous actions, he persuaded the partners to identify their individual holdings, bring them to a joint account at the price on a date agreed, and thereafter, upon their honour,

---

146. Ibid.pp.546-547.

they were not to buy or sell except on joint account. This was agreed and Thompson believed everyone except Robinson abided by the decision.[147] It has proved impossible to verify this assertion as Thompson did not give specific dates for the agreement. However, examination of the inventories of the estates of Burroughs and Grant give some indication as to what was happening.

An indication of the scope of Burroughs dealings in York Buildings Company stock are given in Table 6:4.

TABLE 6:4.

William Burroughs dealings in York Buildings Company Stock.
1 January 1731 - 27 September 1732.

Stock to which Burroughs was entitled 1.1.1731. (includes £69,500 stock held for others)	£156,000
Add Stock purchased for partnership	114,000
	270,000
Less Stock sold,or adjusted with others entitled to it	180,000
	90,000
Stock certified by Burroughs as held by him or for himself and others 27.9.1732.	66,000
Stock unaccounted for	24,000

Source: Burroughs' Estate, passim.

The complexities of Burroughs dealings make it impossible to advance an explanation for the missing £24,000 of stock. However, his purchases and sales have been itemised which makes it possible to compare prices reveived and paid with prevailing market prices on the dates of the transactions as shown in Tables 6:5 and 6:6.

Some intersting trends appear in both tables. In Table 6:5, Burroughs appears to have bought more shares above the quoted price than below it. In Table 6:6, he appears to

147. Ibid.p.545.

TABLE 6: 5

YORK BUILDINGS COMPANY STOCK PURCHASED BY
W. BURROUGHS FOR HIMSELF AND OTHERS 1 JAN-4 OCT 1731

DATE	FROM WHOM PURCHASED	AMOUNT	PRICE	QUOTED PRICE	TOTAL PAID
1731 7 Jan.	J. Sherwood	£ 5,000	29	25½	£1,450
12 Jan.	E. Crull	1,000	29	25½, 25¼	290
4 Feb	J. Liron	5,000	27⅜	24¼	1,369
	J. David	1,000	25	24¼	250
	J. David	2,000	29⅝	24¼	592
	J. David	2,000	27½	24¼	550
	W. Pepys	1,000	25⅞	24¼	259
	S. Wrexham	1,000	25	24¼	250
	J. David	1,000	25	24¼	250
	F. Apsley	1,000	27½	24¼	275
	S. Westall	2,000	25	24¼	500
	H. Gambier	2,000	25	24¼	500
	W. De La Crauze	2,000	25	24¼	500
	S. La Cour	1,000	29⅛	24¼	291
	J. David	1,000	25	24¼	250
	F. Apsley	1,000	25	24¼	250
	Sundry per Mitford	15,000	23 3/5	24¼	3,540
9 Feb.	P. Booth	1,000	27½	27½	275
4 Mar.	P. Hale	5,000	25	26¼, 26	1,250
	Mr. Terond	1,000	25	26¼, 26	250
	Mr. Edlyne	2,000	25	26¼, 26	500
16 Mar.	Mr. Cook	1,000	25⅞	25½	259
22 Mar.	Capt. Colt.	£ 3,000	23⅝	25¼	£ 709
	Mr. Pullen	1,000	23⅝	25½	236
1 April	Sundry Per Puget	5,000	25	25	1,250
	Sundry Per Mitford	5,000	28¼	25	1,413
15 April	N. Crosley	1,000	25	23¾	250
	G. Philips	1,000	25	23¾	250
21 April	Sundry Per Mitford	7,000	25.83	24	1,809
22 April	C. Portales	1,000	24	24½	240
	Blackall	2,000	26	24½	520
4 May	H. Hall	3,000	24¼	24½	727
	N. Ring	1,000	24¼	24¼	242
	Taylder	2,000	24¼	24¼	485
21 June	Sundry Per L Cortisos	10,000	25.13	24½	2,513
3 Aug.	Col. J. Darby	3,500	24.11	24¾, 25	844
	Capt. Robinson	3,500	24.11	24¾, 25	844
	Capt. Robinson	2,000	24¼	24¾, 25	485
31 Aug.	R. Norton	1,000	24¼	24⅛	243
1 Oct.	L. Cortisos	2,000	23½	23½	470
	L. Cortisos	1,000	25	23½	250
	L. Cortisos	1,000	26	23½	260
	J. David	4,000	23.74	23½	949
		£114,000	Ave 25.34		£28,889

SOURCES Burroughs' Estate 40; Daily Courant.

TABLE 6:6

YORK BUILDINGS CO. STOCK SOLD OR AUCTIONED BY W. BURROUGHS.

	DATE	PURCHASER OR AGENT	AMOUNT	PRICE	QUOTED PRICE	TOTAL RECEIVED
1731.	3 May	G. Stead	£ 4,000	23⅛	24½	£ 925
	15 May	Awister	3,000	23½	22½	705
	8 July	Blackall	2,000	23¼	25	465
	3 Aug.	Mitford	1,000	24	24¼, 25	240
	10 Sept.	Fidalgo	2,000	24⅛	24½	482
	12 Sept.	Blackall	5,000	20.35	24½	1,018
	13 Oct.	Blackall to Crull	1,000	19	19	190
		L. Symons	2,000	19	19	380
		L. Paine	1,000	19	19	190
	14 Oct.	Fidalgo	2,000	12½	20	375
	25 Oct.	Blackall	20,000	11½	23	2,300
	4 Nov.	De Flienes (Seller)	3,000	12	12	360
		Mitford (Seller)	3,000	12	12	360
	5 Nov.	C. Kellow (Seller)	7,000	10	13½	700
		Capt. Colt	12,000	12	13½	1,440
	18 Nov.	Messenger	2,000	10½	11½	210
	25 Nov.	De Flienes	10,000	10½	11	1,050
	2 Dec.	Kellow	3,000	10	10½	300
		Mitford	2,000	10¼	10½	205
		Mitford	1,000	10¾	10¾	108
	7 Dec.	Mitford	4,000	10½	11	420
		S. Nunes	3,000	10½	11	315
	14 Dec.	Blackall	3,000	11.91	12½, 12½	357
1732	10 Jan.	Blackall	£ 4,000	14¼	-	£ 570
	12 Jan.	W. Corbet	12,000	13¾	-	1,650
	1 Feb.	Capt. Robinson	3,000	12.04	11½	361
		Crull	32,000	8	11½	2,560
		Fidalgo	11,000	7	11½	770
		Ogden	6,000	8	11½	480
		J. David	4,000	8	11½	320
		Mr Foxley	7,000	8	11½	560
	N.D.	Messenger	5,000	11	-	550
			£180.000	Ave 11.62		£20,916

SOURCES Burroughs'Estate;61; Daily Courant; Daily Post.

have sold and adjusted more shares below the quoted price than above it. Names such as Blackall, Crull, David and Mitford appear on both lists implying that such men were brokers. The prices in both purchases and sales worked to the advantage of these men, suggesting they knew the market and Burroughs' position and manipulated him accordingly. The whole trend in both tables, therefore, shows Burroughs to have been anxious to purchase, and thus willing to pay above market price, and later desperate to sell and thus forced to accept a price below the market quotation. This ineptitude resulted in a loss to Burroughs and his partners as estimated in Table 6:7.

TABLE 6:7.

Estimate of Burroughs Losses in York Buildings Company Stock 1731-1732.

Market value of £156,000 stock at 29 on 1.1.1732(Tb.5:4)	£45,240
Add Cost of Stock purchased (Tb.5:5)	28,889
	74,129
Less Proceeds of stock sold and adjusted (Tb.5:6)	20,916
	53,213
Value of £66,000 stock held by Burroughs on 27.9.1732 at 4½(Tb.5:4)	2,970
Net Loss to Burroughs and Partners.	£ 50,243

The loss of over £50,000 does not take into account £24,000 of stock unaccounted for. It has also been impossible to compute an accurate figure for the loss, as no accurate record of the purchase price of the £156,000 of stock has come to light.

Thompson's warning of the danger of separate trading is clearly shown by the fact that Sir Archibald Grant was also trading in York Buildings stock. On 1 January 1731, Grant

held £111,500 of York Buildings Company stock worth £32,335 at the market price of 29 on that date.[148] Unlike Burroughs, however, Grant noted the purchase price of his holding, and thus we are able to arrive at a reasonable estimate of the cost of his acquisition, as shown in Table 6:8.

TABLE 6:8.

Estimated Cost of Sir A.Grant's holding of York Buildings Company stock at 1 January 1731.

£ 57,000 @ 12-18% (average 15%)	£8,550
10,000 @ 21%	2,100
10,000 @ 25¼%	2,525
14,500 @ 29%	4,205
20,000 @ 30 - 32 %(average 31%)	6,200
£111,500 Average price 21.15%	£23,580

Source: Grant's Estate, p.8.

Based on the estimate shown in Table 6:8, therefore, Sir Archibald Grant's holding showed a capital appreciation of just under £9,000 on 1 January 1731. Like Burroughs, he attempted to liquidate his holding, and the amounts he received are shown in the inventories of his estate. However, there is no indication that this was paid into a common fund as claimed by Thompson. The amounts received are shown in Table 6:9.

An examination of Table 6:9 reveals that Grant was more adept at liquidating his holding than Burroughs. He put his stock on to the market earlier and thus obtained better prices. Unlike Burroughs, he was usually able to secure the price quoted in the press, or slightly above that figure. As a result

148. Grant's Estate,pp.7-8.

TABLE 6: 9

SALE OF SHARES BY SIR A. GRANT

1 JUNE - 11 NOVEMBER 1731

	DATE	PURCHASER	AMOUNT	PRICE	QUOTED PRICE	TOTAL RECEIVED
1731	7 Jan.	P. Hale	£ 2,000	26¾	25½	£ 535
	4 Feb.	G. Robinson	10,000	26	24¾	905
	20 Feb.	J. Tiron	1,000	26¼	24⅝	264
	7 April	F. Steel	2,000	24	24	480
		F. Steel	2,000	23⅞	24	478
	13 May	N. Jacobs	1,000	23⅛	23	231
		D. Roy	1,000	23⅛	23	231
		C. Portales	1,000	23⅛	23	231
		S. La Cour	2,000	23⅛	23	463
	1 June	S. Hale	1,000	21¾	21¾	217
	30 June	R. Norton	1,000	23½	23, 23¼	235
	15 July	T. Pullen	1,000	23⅜	23¾	234
		F. Steel	1,000	24⅛	23¾	241
		F. Steel	1,000	24	23¾	240
		F. Steel	7,000	23⅞	23¾	1,671
		F. Steel	5,000	23¾	23¾	1,188
		F. Steel	1,000	23½	23¾	235
		F. Steel	2,000	23¼	23¾	465
		H. Hale	2,000	24	23¾	480
		H. Hale	8,000	23⅞	23¾	1,910
	16 July	S. La Cour	1,000	24⅛	23¾	241
	27 Aug.	W. Saunders	3,000	24¾	24⅝	742
		W. Saunders	2,000	24⅜	24⅝	487
	23 Sept.	W. Saunders	3,000	23	23	£ 690
		W. Saunders	2,000	22⅞	23	458
	18 Oct.	J. Mitford	2,000	15	15	300
		I. Pollock	2,000	14	15	280
		I. Pollock	2,500	14½	15	364
		P. Hale	6,000	16½	15	990
		J. Powell	10,000	13½	15	1,350
	2 Nov.	J. Mitford	1,000	14¼	12¾	143
		E. Abbot	1,000	14	12¾	140
		N. Jacobs	1,000	13½	12¾	135
		N. Jacobs	1,000	13	12¾	130
		W. Ludington	1,000	12½	12¾	125
		N. Barnardiston	5,000	12	12¾	600
		J. Blackwell	1,000	13	12¾	130
		J. Sherwood	2,500	13	12¾	325
	4 Nov.	E. Crull	3,000	12	12	360
	10 Nov.	J. Mitford	1,000	12	12¾	120
		J. Wintrupt	1,000	12	12¾	120
	11 Nov.	D. Roy	3,000	12	12	360
		S. La Cour	2,000	12	12	240
			£109,000	Ave 18.14		£197.64

SOURCES: GRANT'S ESTATE pp 14-17; DAILY COURANT.

Grant obtained an average price of 18.14% for his stock as against an average price of 11.62% obtained by Burroughs. This is further demonstrated by the figure for Grant's estimated losses, as shown by Table 6:10.

TABLE 6:10.

Estimated Losses sustained by Sir.A.Grant on York Buildings Co. Stock.

Estimated cost of £111,500 Y.B.Stock 1.1.1731(Tb.5:8)	£23,580	
Market value of £111,500 Y.B.Stock1.1.1731.		£32,335
Add Cost of £2,000 stock acquired 15.1.1731.	580	580
	24,160	32,915
Less Cash rec'd for stock sold(Tb.6:9)	19,769	19,769
	4,391	13,146
Market Value of £4,500 stockremaining@27.9.1732 @4½	213	213
Estimated loss sustained.	£ 4,198	£12,933

Thus in his own dealings in York Buildings Company stock, Sir Archibald Grant's losses were possibly in the region of £4,000. However, one has to add to this figure a proportion of the losses Burroughs sustained on behalf of the partnership which, as we have already seen, was much heavier. Thus for the directors of the Charitable Corporation, the foray into speculation in York Buildings Company stock was an unmitigated disaster. Thomas Lease, one of Thompson's assistants and a close associate, told the Commons Committee in 1732 that the loss on York Buildings Company dealings was in excess of £100,000.[149] One cannot prove the accuracy of this figure but given the fact that no record of dealings before January 1731, have come to light, this is not outwith the bounds of possibility.

Given the nature and size of the fraud being perpetrated on the Charitable Corporation, it was only a matter of time before

149. RHC.Vol.1.p.383.

it was discovered. The depression of York Buildings Company stock prices, together with Robinson's further deceit upon his partners meant that embezzled funds could not be replaced. The keeping of notes in circulation helped to hide things for a while. For example, Thomas Warren told the Commons Committee in 1732 that he had sold £170,000 worth of notes at six months and £200,000 worth of notes at twelve months, for Robinson. The sum was so large because some notes were taken in and re-issued. He was engaged in this activity as late as January 1731.[150] The partners were also assisted by the general greed of the directors not directly involved, whose sole aim, according to the Commons Committee was to enhance the price of the Corporation's shares. To aid this, ideals such as helping the poor were abandoned, and Denis Bond, one of the directors was quoted as saying,"Damn the poor, let us go into the city, where we may get money."[151] According to Walter Molesworth,one of the committee of the Corporation, indolence was prevalent among the directors.[152]

This apathy allowed the active members of the Corporation a chance to attempt to stave off the crisis by issuing bonds. The corporation had promised the House of Commons that it would stop issuing notes after 15 May 1731.[153] To circumvent this, the committee of the corporation agreed to the issue of bonds and between 15 July and 10 September 1731, agreed to issue bonds to the value of £50,000. This was done without the consent of a

---

150. Ibid.p.375.
151. Ibid.p.384.
152. Ibid.p.388.
153. Ibid.p.377.

general court and indeed of a quorum of committee men,[154] and is indicative of the pressure those involved in the fraud were under to try to conceal their deeds.

Questions were being asked about the conduct of the company's officers, but this was kept as quiet as possible. Burroughs and Squire, for example, tried to placate Walter Molesworth by claiming that Robinson needed to keep large amounts of cash to circulate the corporation's notes.[155] The Commons Committee, however, found that the corporation's committee members and assistants had indications that things were badly wrong as early as the spring of 1731, particularly when the large balance due by Robinson had been discovered on the death of the cashier William Tench, son of former committee man Sir Fisher Tench. The committee, however, had done little or nothing to remedy this situation.[156]

The whole matter became public when Robinson and Thompson disappeared in October 1731. The corporation first of all set up its own enquiry and when the fraud came to light, the corporation petitioned parliament for help.[157] Commissions of bankruptcy had already been taken out against Robinson and Thompson. Robinson appears to have gone abroad, but returned to London at the end of November and attended a general court on 30 November and two committee meetings on 3 and 9 December. By the beginning of January 1732 he had finally fled to France.

154. Ibid.pp.376-377.
155. Ibid.p.387.
156. Ibid.p.380.
157. S.Lambert(ed),Sessional Papers of the House of Commons in the 18th Century,Vol.14, Charitable Corporation, Reports on the Charitable Corporation pp.3-4; Report of the Gentlemen appointed by the General Court of the Charitable Corporation.(1732). A copy is available at BL712.k.1(1).

Thompson was also in France by the beginning of 1732.[158] On 3 April 1732 Robinson, who had become member of parliament for Great Marlow on 14 May 1731 on the strength of an estate acquired there with his ill-gotten gains, was expelled from the House of Commons. His property was made over to the corporation to help pay off its debts. Nothing more appears to have been heard of him.[159]

Thompson went first to Paris then to Rome and finally to Avignon, which was hardly surprising given his Jacobite leanings. It was known that Thompson had important papers, and from Rome he attempted to arrange a deal with the government for their return.[160] To placate a public outrage, the government ordered letters on this matter from John Angelo Belloni, an agent of the Pretender in Rome, to be burnt by the public hangman.[161] Behind the scenes, though, intense pressure was built up to get Thompson's papers which were held by the Arbuthnot family, agents of the Pretender in Paris.[162] The papers were acquired and sent to London in June 1732, and led to further discovery of papers left by Thompson in England.[163]

The government was particularly concerned because the scandal was exploited by the Jacobites for their own ends. Thompson was reputed to have offered the Pretender £100,000 for his protection while in Paris. The latter was supposed to have refused, because he felt Thompson had betrayed his "loving subjects".[164] Despite this, there was joy behing the

158. Lambert, Sessional Papers, Vol.14.pp.12-13.
159. Sedgewick, Commons, Vol.2.p.386.
160. BM.Add MSS.32777 f59, Copy letter Robert Arbuthnot to Earl of Waldebrave 22 May 1732.N.S.;Ibid.f 61,Memo of Jo.Thompson.
161. Ibid.f.90,Resolutions of both Houses of Parliament 4 May 1732; Simpson,SHR,p.55.
162. Ibid.
163. BM.Add.MSS.32777 f264,Copy Minute Comm.of Privy Council,12 June 1732.
164. Simpson,SHR.,p.55.

scenes in Jacobite circles in France. Thomas Cole, a government spy who had infiltrated the Jacobite group at Avignon, said Lord Inverness was furious at the way Thompson's papers had been handed over by the Arbuthnots. He also claimed that Thompson had made several disclosurers which would make useful propaganda, but did not say what these were.[165] However, the activities of the Jacobites were well monitored by people such as Cole and this, together with the generally wild tones of Inverness' utterings, as reported by Cole, indicated that nothing concrete would be done with this information.

Thompson returned to Britain in February, 1733[166] and later gave evidence to the Commons Committee examining the affairs of the corporation, much of which has already been cited. The reason for his return cannot be accurately determined. He later gave evidence in civil court cases against his former associates, though in 1742 Lord Chancellor Hardwicke ruled that he was not a competent witness against some defendants being sued by the corporation.[167]

Of the other participants in the fraud, nothing more appears to be known of Squire, who absconded, and little of Burroughs after he gave evidence to the parliamentary enquiry.[168] Sir Archibald Grant was expelled from the Commons on 5 May 1732. Following Thompson's evidence to the Commons Committee in 1733 it was decided to prosecute him but this was ultimately dropped.

---

165. BM.Add.MSS.32779 ff244-245.Letter Thos.Cole to Thos.Pelham, 1 Dec..1732.T hos.Pelham Jnr. was secretary at the British Embassy in Paris; Sedgewick, Commons,Vol.2.p.334.
166. Daily Journal, 26 February 1733.
167. BM.Add MSS.35876 ff200-201,Minutes in hearing in Chancery, Char. Corp. v Sutton, 13 August 1742.
168. Simpson, SHR, p.54; Sedgewick,Commongs, Vol.1.p.509.

Grant was also allowed to keep his property[169] although this was much delpleted by his losses on the stock market. At first Grant was also being harrassed by the corporation in the law courts. A decision to take action against all the directors was taken at a general court on 28 June 1734. Friends of Grant tried to block the proceedings but were unsuccessful.[170] In December 1735, his brother, William Grant, a noted lawyer and later Solicitor-General for Scotland, Lord Advocate and ultimately a judge, wrote to inform him that the case was being strongly pursued. However, William Grant did say that a Dr. Groves, a cleric who was also a creditor of the York Buildings Company, had stated that it might be better if the corporation came to an agreement with Grant as this was likely to lead to better results than the court action.[171] These proved prophetic words in the light of Lord Hardwick's ruling on Thompson's competence as a witness. All in all, Grant escaped extremely lightly although it took years to repair his shattered fortunes.

Two other members were also expelled from the House at this time. Denis Bond, a committee member, was expelled on 30 March 1732 over fraudulent dealings in the Derwentwater estate made when he was a Commissioner for Forfeited Estates. When the Charitable Corporation revelations came a few weeks later, Bond was in further trouble with the threat of confiscation to his property. The following year, after Thompson's disclosures,

---

169. Ibid.,Vol.2.pp.77-78.
170. SRO.GD345/573,Grant of Monymusk MSS,Minute of Char. Corp. General Court, 28 June 1734.
171. SRO.GD345/780/15.Grant of Monymusk MSS,Letter W.Grant to Sir A. Grant, 1 December 1735.

Bond was merely declared to have been in breach of trust and no further action was taken.[172] Sir Robert Sutton was expelled for his part in the Charitable Corporation affairs on 4 May 1732. Like Bond he was partially exonerated the following year being declared only guilty of neglect. This roused the fury of the opposition who appeared to have been determined to ruin him. Given the fact that he was certainly involved in "insider" dealings on a considerable scale, and the fact that he was associated with the Strontian lead mining venture, it is possible that he was fortunate in having powerful friends. Later he was further exonerated by the court who upheld parliament's view of his conduct. He was the only one of those involved to re-enter parliament, sitting for Great Grimsby "the refuge of shady business men" from 1734 to 1741.[173]

The real sufferers were the shareholders and others who had money in the Charitable Corporation. In 1733, a lottery was set up to assist them, and after paying prizes and expenses, there was sufficient to give creditors 9s9d. per £1.[174] Although claims totalling around £500,000 were lodged only £160,950 was allowed.[175] In 1743 the corporation, finding itself frustrated in the courts was petitioning parliament for further relief.[176] It was proving extremely difficult to clear up the mess.

The Charitable Corporation fraud, therefore, has a strong bearing on any examination of the York Buildings Company.

---

172. Sedgewick, Commons, Vol.1.pp.470-471.
173. Ibid.Vol.2.pp.456-458.
174. Ewen, Lotteries,p.190.
175. Du Bois, English Business Company,p.327.
176. BM.Add MSS.35879 f198.Pet'n of Char.Corp. to Parl.,(House of Lords),1743.

The clear links between the two organisations demonstrate that an appreciation of one is necessary to understand the full implications of the other. As with the York Buildings Company, the actions of the directors of the Charitable Corporation show how easy it was for a few people to manipulate a corporation for their own ends. With the Charitable Corporation, though, the overtures of a Jacobite plot add a new dimension. The attempt by the partners in the Charitable Corporation fraud to manipulate York Buildings Company stock, though, clearly demonstrate how vulnerable companies could be, not merely to market forces, and their own actions, but the concerted and secret dealings of determined groups outside its control. By involving the York Buildings Company in extensive mining ventures, the partners in the Charitable Corporation cabal added to the already extensive problems of the York Buildings Company and hastened its decline. The overlap of personnel indicates, as with the York Buildings Company that there was a distinct group of individuals operating in the 1720's and 1730's who had interests in more than one dubious enterprise in the period. Often, their interests conflicted with one another, but sometimes these coincided, and we see evidence of both in the Charitable Corporation as we did in the York Buildings Company. All of these factors, therefore, indicate the importance of a study of the Charitable Corporation in setting the affairs of the York Buildings Company in their widest context.

CHAPTER 7.

CASE BILLINGSLEY - THE PROMOTER.

The floatation of the York Buildings Company as a public concern was largely the work of Case Billingsley.[1] Billingsley emerges as a shadowy figure haunting many of the speculative ventures in the years surrounding the South Sea Bubble. Thus an investigation of his activities, so far as they can be traced, not only helps to set the York Buildings Company in the wider context of the contemporary business world, but also helps to reveal much about the characters operating in the London financial community at this time.

Case Billingsley has been described as a London solicitor and a remote connection of the noted lawyer Philip Yorke who ultimately became Lord Chancellor and the 1st Earl of Hardwicke.[2, 4(a)] Other contemporary legal documents, however, describe him as a merchant.[3] It is possible that he may have practised as a solicitor as he signed as attorney for several subscribers when those involved in the Mercers Hall marine insurance scheme (ultimately to become the Royal Exchange Assurance Company) first sought a charter for their enterprise in January 1718.[4] In this instance, however, he was possibly acting merely as agent and

---

1 Vide supra.ch.2.

2. Special Report (1720) p.11; Burke's Peerage (1845 edn) p.481; Carswell, Bubble, p.167. Yorke's rise was meteoric. He became Solicitor-General in 1720, only five years after being called to the bar and moved on in relatively rapid succession to the posts of Attorney-General (1724) Lord Chief Justice of England (1733) and Lord Chancellor (1736). He was created Baron Hardwicke in 1733 and Viscount Royston and Earl of Hardwicke in 1754. Burke's Peerage (1845) p.481

3 PRO C11/1726/27, Lilly v Billingsley; C11/2397/44 Holland v Billingsley.

4 Special Report (1720) pp.17-20; Supple, Royal Exchange, p.15.

4(a) One John Billingsley, a dissenting minister who later conformed, had married a sister of Philip Yorke. Dictionary of National Biography, Vol.2, p.497.

the wide range of his activities to be discussed below make it more likely that he was a merchant. It was with the marine insurance venture that he first came to the attention of the public and achieved a degree of notoriety that was to continue through all the concerns with which he was associated.

The precise details of the floatation of what was to become the Royal Exchange Assurance Company have been comprehensively dealt with by Professor Supple[5] *and so consideration will be confined to Billingsley's role in the affair. Billingsley acted as secretary to the group*[6] *behind the venture and thus was in a strong position to manipulate its affairs. Opposition to the idea of a marine insurance corporation, particularly from existing underwriters, was such that Billingsley quickly adopted dubious methods to attempt to secure a charter. He wrote to the Solicitor-General, Sir William Thompson, and to the Attorney-General, Sir Edward Northey, on 6 March 1718, offering each of them one thousand guineas if the charter were approved and promised not to mention the fact directly or indirectly to a "living soul".*[7] *Although the letters and others concerned in the affair were allegedly signed by Billingsley and his associate James Bradley, it was later established that Billingsley alone was responsible for them.*[8] *It is difficult to ascertain Billingsley's precise motives in offering the crown officers such large sums in writing.*

---

5. *Ibid.*, Chs. 1 - 2 *passim.*
6. *Special Report* (1720), p.11.
7. *Ibid.* pp 28-29
8. *Ibid.* p.5.

Billingsley later claimed in written evidence to the House of Commons committee examining company subscriptions that he had done so because both Northey and Thompson had claimed to be in favour of the petition, but that he had been told the fees for passing corporation charters were very large. He had therefore offered the law officers one thousand guineas each as he felt they would lose fees they might otherwise have had from people who were opposed to the scheme.[9]

> *"Could I once have imagined this would be represented as bribery," Billingsley wrote to the committee, "I should not have been such a fool as to have given it under my hand, had I not before known the sentiments of the late Attorney and present Solicitor-General to be for such a corporation."* [10]

Almost two years previously, Billingsley had written angrily to Thompson accusing him of passing his letter to those opposed to the scheme, allowing them to make capital out of it.[11] *Here Billingsley clearly stated that he regarded fees paid to officials for ventures they approved of as legitimate. He saw bribery as paying officers to authorise proposals which they felt were against the public interest.*[12] *The reason for Billingsley's actions was probably quite simple. He was clearly associated with Sir William Thompson in other ventures*[13] *and this could have been a method designed to remunerate Thompson without arousing suspicion. However, Thompson failed to secure the passage of the required charter. A joint report by Northey and Thompson on 12 March 1718 did not*

---

9. *Ibid.* p.33. *Paper of Case Billingsley to Committee,7 March 1720.*
10. *Ibid.*
11. *Ibid.p.31. Letter Billingsley to Sir William Thompson,2 June 1718.*
12. *Ibid.*
13. *Ibid. p.33.*

favour an insurance corporation.[14] It seems that pressure other than that of Billingsley was being brought to bear on the law officers and Thompson was trying to cover himself by revealing Billingsley's action.

This incident gives a clear indication of the business and political morality of the times. Bribes were clearly expected and paid though care had to be taken not to make them too public lest rival operators take advantage of such knowledge for their own purposes. Here Billingsley was trying to tempt the law officers by offering them one thousand guineas, together with the chance of subscribing for £10,000 worth of stock in the new enterprise.[15] In much the same way the York Buildings Company created over £50,000 of new stock to accommodate "friends" in 1720 and the South Sea Company made illicit distributions of its stock during the same year.[15(a)]

The role of Billingsley in promoting the insurance venture was not merely confined to obtaining a charter. Part of his task was to break down the opposition. This Billingsley did by convincing opponents that the scheme was really to their advantage. Thus he claimed to have convinced many underwriters that a marine insurance corporation was a good idea and that by joining the scheme they could achieve control of it.[16] Despite initial set backs, Billingsley continued to promote the idea

---

14 Ibid.

15 Ibid.pp 30-31, Letter Billingsley to Sir E. Northey and Sir W. Thompson, 10 March 1718.

15(a) Vide supra, p 41 ; Carswell, Bubble, pp. 114-118.

16 Ibid.

through all possible channels. On 16 November 1719 he was urging an unnamed correspondent to persuade Baron Bothmer, a Hanoverian envoy who had great influence on George I, to call on Nicholas Lechmere, the Attorney-General, to persuade him that the monarch was in favour of Billingsley's scheme.[17] It was by persistence of this nature and the use of contacts and influence that difficulties were ultimately overcome and the insurance corporation charter obtained. In this, the role of Billingsley as a promoter was crucial.

The method the promoters of the insurance scheme used to circumvent the difficulties placed in their way was comparatively simple. In the summer of 1718 they acquired the charters of the Mines Royal and Mineral and Battery Works, two Elizabethan mining and metal concerns which were practically moribund and which had amalgamated in 1710. The idea was to extend Mines Royal and Mineral and Battery Works activities to include marine insurance. The similarity to the York Buildings Company manoeuvre in 1719 is such that Professor Supple feels certain that Billingsley was the mastermind behind both insurance schemes.[18] Although one is tempted to agree unequivocally with Supple, one can sound a note of caution. In a paper delivered to the House of Commons Committee investigating the project dated 7 March 1720, defending his letters written to Northey and Thompson in 1718, Billingsley stated they were drafted

---

17. SRO GD1/170, Letter from Case Billingsley.
18. Supple, <u>Royal Exchange</u>, p.19.

> "many months before the corporations of the Mines Royal and Mineral and Battery Works meddled with the business of insurance of ships and merchandise" 19

Billingsley was trying to convey the idea that he was unhappy with the scheme as it stood in an attempt to minimise his role and perhaps ensure his associate Thompson escaped the censure of Parliament. In this he was unsuccessful as Sir William Thompson, who had attempted to accuse the Attorney-General Nicholas Lechmere of accepting bribes, was singled out for criticism by the Commons committee.[20]

The marine insurance scheme was not so precisely drafted as the York Buildings Company venture, as it was thought necessary to seek royal approval before the enterprise was launched. Whether or not Billingsley conceived the idea in the first place, therefore, he was certainly willing to try to improve upon it and to use it for the York Buildings Company and also for the Royal Lustring Company in a fire insurance venture.[21] The weight of evidence therefore supports Professor Supple's theory and minimises Billingsley's own protestations.

By 1720 the range of business ventures with which Case Billingsley was involved was quite considerable. He was concerned with the promotion of three separate insurance schemes for marine, life and fire insurance although the general body of investors in these enterprises showed a fair degree of overlap. Billingsley's conduct in these affairs was far from

---

19 Special Report (1720), p.33.
20 Ibid. p.13.
21 Vide supra, p43-5, Carswell, Bubble, p.167.

exemplary. In 1720 one of his associates in the marine insurance venture informed the Commons committee that the consortium dissociated themselves from Billingsley's attempts to bribe the law officers. He further claimed Billingsley would have been dismissed but for the fact that they were under investigation by the committee.[22] It would appear that Billingsley was eased out of the Royal Exchange Assurance after these disclosures. At a meeting of the company in October he tried to create trouble for the directors but he overstated his case and appeared to act irrationally and was easily defeated.[23] His role was essentially that of promoter, and Professor Supple says that when the floatation process was completed, a man such as Billingsley had no real part to play.[24]

One can, however, question the manner of Billingsley's departure from the Royal Exchange Assurance. His son, Case Billingsley Jnr. succeeded him as secretary to the company.[25] Therefore, one must ask if in fact Billingsley's removal was felt to be necessary in order to maintain the company's image and improve its standing. Thus it is possible his removal was contrived with his consent. His subsequent conduct could have been part of a strategy to convince outsiders that he was no longer associated with the company. One feels that if Billingsley's conduct at the October meeting had been genuine his son's position in the company would have been untenable.

22 Special Report (1720), p.11.
23 Supple, Royal Exchange, pp.39-40.
24 Ibid., pp.33-34.
25 SRO GD1/170 Letter from Case Billingsley Jnr. signed as secretary; Daily Post, 25 November, 1720.

Also Billingsley continued to be associated with Royal Exchange Assurance directors in other ventures such as the York Buildings Company, the English Copper Company and the Harburgh Lottery. There is strong evidence, therefore of the possibility that Billingsley had an indirect influence on Royal Exchange Assurance affairs after his ostensible departure.

Billingsley's role in the York Buildings Company was also principally that of promoter.[26] *As with the Royal Exchange Assurance, his major role was completed in 1720 and in 1721 he asked to be excused from the direction of the York Buildings Company due to pressure of business.*[27] *Here also he left one of his sons within the organisation, again as secretary. David Murray states that this son, John Billingsley was dismissed as cashier in 1720 when a deficit was found.*[28] *In fact John Billingsley was secretary and cashier until November 1720 when he relinquished the latter post but retained the former, continuing to sign documents in that capacity as late as 1729.*[29] *The man who succeeded John Billingsley as cashier, Ebenezer Burgess, told a Commons Committee in 1733 that he had no cash balance from Billingsley. This confirmed the latter's evidence that no proper cash book had been kept in his time.*[30] *The possibilities for defalcation were enormous at a time when large amounts of cash were coming in by way of subscription and the lack of suitable accounting made*

---

26 *Vide Supra*, ch.2..
27 *Applebee's Original Weekly Journal*, 7 October 1721.
28 *Murray, York Buildings Company, p.45.*
29 *SRO Seafield Muniments, GD 248/81/1, Indenture between James Grant of Grant and York Buildings Company.*
30 *RHC, Vol.1.p.585, Report on York Buildings Co. 1733.*

fraud impossible to trace. Therefore, in both the Royal Exchange Assurance and the York Buildings Company, Billingsley continued to have a link through his family. In the case of the York Buildings Company this could be extremely important as the series of dubious dealings carried on by that company could well have been influenced by Case Billingsley through his son.

Billingsley's activities as a broker are also significant in any examination of his career and his methods of business. He looked to stock-jobbing to make a profit and this clearly governed his attitude to the companies with which he was involved during 1720.[31] *At the height of the mania of 1720 he was involved in the English Copper Miners Company and his activities here both as promoter and stock jobber give us further indication of the range and diversity of his activities.*

The English Copper Miners Company was incorporated in 1691 and enjoyed a varied but unspectacular career down to 1720.[32] *At the height of the Bubble mania it was taken over by a consortium including Billingsley and two associates from the Royal Exchange Assurance, John Essington and James Bradley.*[33] *Essington was also a director of the York Buildings Company.*[34] *As with the York Buildings Company, the consortium worked with existing members of the company, in this case Thomas Chambers,*

---

31 Supple, Royal Exchange, p.34.
32 Scott, Constitution, Vol.2.pp.430-435.
33 Daily Courant, 1 July 1720; Special Report (1720), p.17.
34 Applebee's Original Weekly Journal, 7 October 1721.

the governor, who held two hundred and three of the company's seven hundred shares, but more particularly with his nephew Thomas Chambers Junior who held twenty shares. Essington was a minor shareholder with ten units.[35]

The idea behind the consortium's takeover of the company was that the new enterprise would assume the running of the copper works run by Thomas Chambers Jnr. at Lower Redbrook in Gloucestershire. This was a somewhat curious arrangement as Chambers had originally leased the works from the old English Copper Miners Co. in 1716.[35(a)] *The company was also to take over the lease of a copper mill in Wimbledon currently held by Billingsley, Bradley and Essington. The legal instrument between the parties was drawn up and dated 20 July 1720, though the scheme appears to have been in operation by this date. It was claimed that Chambers had spent a great deal of money improving his operation, though no actual sum was mentioned. Billingsley and his partners stated that they had spent £9,400 acquiring the lease and premises of their copper and brass works.*

The new concern was to increase the numbers of shares from seven hundred to twenty-one thousand. Thus twenty thousand, three hundred new shares were to be created. Of these, one thousand were reserved for the company itself to be used as the directors saw fit. The remainder were to be divided by giving four thousand, three hundred to Thomas

---

35 *Articles of Agreement between the ... Copper Miners ... and Thos. Chambers Jun. etc.* (1725) *BM. 522m. 12 (3).*

35a *W. Rees, Industry before the Industrial Revolution, (Cardiff, 1968) Vol.2. p.501; C. Hart, The Industrial History of Dean, (Newton Abbot, 1971), p.107.*

Chambers Jnr. and five thousand each to Billingsley, Bradley and Essington at £5 per share. The seven hundred remaining shares were to stay with the original owners.

Out of the proceeds of the sale of the new shares, Billingsley, Bradley and Essington were to receive £9,400 for their enterprise and Thomas Chambers Jnr. £17,000 for his interest at Lower Redbrook. A further £10,000 was to be divided amongst Thomas Chambers Snr. and the other holders of existing shares. This together with the fact that they still held their old shares gave the existing owners of the company a very good bargain. Furthermore, when the company was able to pay a ten per cent dividend, one-tenth of that sum was to go to Essington in view of his efforts for the company and the rights he was giving up under the agreement.[36] *This suggests Essington was the principal instigator of this particular venture. At the height of the bubble mania the premium on the company shares was such that Scott claims that Billingsley Bradley and Essington stood to gain £1.5 million by this transfer.*[37] *The English Copper Company was included in the writs of scire facias issued on 18 August 1720. According to Du Bois the scheme then fell through. The writ was not lifted until 5 May 1722.*[38]

The company was quickly reorganised, and the Prince of Wales was chosen governor, a post he held at least until 1724, and possibly as late as 1727, when Essington took over as governor.

---

36 *Articles of Agreement, pp.3-8; Scott, Constitution, Vol.2.p.434.*
37 *Ibid., pp.434-435*
38 *Du Bois, English Business Company, pp.7,9.*

The deputy governor chosen in 1720 was one Josiah Wordsworth, though Essington held that post by 1724.[39] *Thus in the summer of 1720 Billingsley, Chambers and Essington were content to remain ordinary directors and they were joined by Sir Alexander Cairnes and William Lilly, associates from the Royal Exchange Assurance and Mines Royal and Mineral Battery Works ventures.*[40] *Bradley did not assume a directorship. By 1724 only Essington remained obviously active within the company. He continued his association until his bankruptcy in 1728. Essington died a debtor in Newgate on 8 April 1729.*[41] *Thus contemporary information refutes Rees' claim that Chambers became governor and virtual proprietor of company property until his death in 1726.*[41(a)] *Unlike many of its counterparts, therefore, the English Copper Company was to survive the crash and continue a reasonably useful existence.*

Billingsley was clearly trying to capitalise on this investment before the stock market crash and was in fact dealing in English Copper Miners shares before the agreement of 20 July was properly drawn up. Two cases serve to illustrate this point. In the first example Anne Holland, a widow from Rochester and an acquaintance of Billingsley, claimed he had advised her to invest in the English Copper Miners and about 7 or 8 July 1720 she had paid £250 for five shares in the company. She had given a letter of attorney to one Thomas Chamflower to act on her

---

39. *Daily Courant, 13 August 1720; Daily Journal, 16 April 1724; Daily Post, 1 February 1727.*

40 *Daily Courant, 13 August 1720.*

41 *London Evening Post, 3-5 December 1728; Sedgewick, Commons, Vol.2.p.17. Essington had briefly sat as M.P. for New Romney 1727-1728 but was unseated for bribing electors with creditors' money.*

41a *Rees, Industry, Vol.2.p.501.*

behalf but said that neither she nor Chamflower had received the shares from Billingsley. Consequently, when the price of the shares, which had been around £50 at the time of acquisition, rose to £80 or £90, Mrs. Holland wished to sell. This was found to be impossible as Billingsley had not given the necessary stock certificates to Chamflower. Mrs. Holland claimed that Billingsley would not transfer these shares before 20 August 1720 as he had acquired such a large block of shares at £5 each and was putting them on to the market so fast that he was unwilling to transfer the title to her in case she put them on the market to Billingsley's disadvantage. Mrs. Holland stated that Billingsley had disposed of almost all of his allocation before the writ of <u>*scire facias*</u> *was issued, but did not give out any certificates until that event had taken place. Not surprisingly she felt the scheme to have been a fraud and sought her money back on the grounds that the company was acting outwith the provisions of its charter.*[42]

Billingsley for his part strenuously denied Mrs. Holland's claims. He said he had never been informed that Chamflower was to act for Mrs. Holland and assumed that he, Billingsley, was to do so. He claimed that he was as surprised as anyone at the moves against the company and that he also had lost an unspecified, but considerable sum running into thousands of pounds. He did admit to selling shares in the company but was deliberately vague as to whom they were sold and at what price.[43]

---

42 *PRO C11/~~2218~~ 2347/44. Holland v Billingsley, Complaint of Holland.*
43 *Ibid. Answer of Case Billingsley.*

He also clearly established a link between himself and the proprietors of the Mines Royal and Mineral and Battery Works which was to figure in later dealings. These were probably with Bradley and Essington. Billingsley, therefore was dealing in English Copper Miners shares before the agreement was signed and before the bubble burst and contributed greatly towards a maximum price of £110[44] *being reached before the collapse of the stock market.*

Another aspect of share dealings is seen in Billingsley's transactions with Joan Shrubb, the wife of James Shrubb, a clothier in Godalming, and a relation of Billingsley's wife. Billingsley claimed that Mrs. Shrubb acted for her husband as he was old and unfit for business. In July and August 1720 Billingsley had acted for Mrs. Shrubb in the purchase and sale of Royal Exchange Assurance shares which had shown a profit. She sought further advice and as she was pestering Billingsley he agreed, around 12 August, to sell her ten of his English Copper Miners shares at £85 per share which he claimed was below market price. The stock was bought by John Billingsley in trust for the Shrubbs who wished Case Billingsley to sell when the time was right. Case Billingsley refused to act in this capacity but John Billingsley agreed to do so for a commission of five per cent. The Billingsleys wanted to sell when the price had advanced £25 (i.e. to the maximum of £110) but the Shrubbs refused. They regretted this when

44 *Ibid.*

the market collapsed and claimed that the money they had given Billingsley was meant to be put out for interest and they expected a return of only five per cent. They also tried to claim that Mrs. Shrubb had no right to act for her husband which Billingsley strenuously denied. He stated both fully approved of the purchase of the shares and indeed Mrs. Shrubb had presented both Billingsley and his wife with silk stockings as gifts in thanks for their services.[45]

The Shrubbs for their part denied Billingsley's statement that Shrubb was unfit to act for himself. They claimed Mrs. Shrubb came to London on behalf of her husband to collect £3,000 due to him from a Mr. Steyart and that she had the power to deal in shares only with this person's advice. She had dealt on her own behalf in Royal Exchange Assurance shares on Billingsley's advice but maintained that when it came to dealings in English Copper Miners shares, Billingsley persuaded her to invest in them and talked her out of a proposed investment in Royal Africa Company stock. Joan Shrubb, without the necessary consent, paid £850 for ten shares of the English Copper Miners Company using a £1,000 note. The next day she received a receipt from Billingsley acknowledging the fact that he was accountable to her for the shares. She also claimed she had clearly told Billingsley she was only looking for a return of five per cent on her money.[46] *It would appear,*

---

45 *PRO C11/2218/44. Billingsley v Shrubb, Complaint of Billingsley. 25 November 1721.*

46 *Ibid., Answer of James and Joan Shrubb.*

therefore, that the Shrubbs were trying to renege on their bargain. They had clearly intended to make money out of the boom in share prices but, contrary to Billingsley's advice had not sold out at the correct time and suffered losses due to the stock market collapse. They were trying to use a legal technicality to escape the consequences of their own actions.

These two transactions clearly indicate that Billingsley had been dealing in new shares in the English Copper Miners' Company. Billingsley was contracted to take five thousand shares at £5 each.[47] *and of his £25,000 outlay, he had already recouped £1,100 by the sale of only fifteen shares. One cannot say for certain how many shares Billingsley disposed of during July and August 1720. It would appear that Bradley was somehow released from his part of the contract, as a commentator discussing the agreement in 1725 stated that only nineteen thousand, three hundred shares had actually been paid for, i.e. the holdings of Billingsley, Essington and Thomas Chambers Jnr.*[48] *The same commentator claimed that by 1723, no one except Thomas Chambers Sen. would claim to be an original proprietor and he was not to be drawn as to who the others might be.*[49] *An implication behind the secrecy is that Billingsley and his associates had in fact made considerable sums out of the company but no one was prepared to admit to the fact.*

---

47 *Articles of Agreement*, p.6.
48 *Ibid*. p.10.
49 *Ibid*. p.12.

These dealings show how necessary it was to have one's wits about one to survive in the fiercely competitive business world of the City of London at this time. On the one hand Billingsley could hold back certificates of shares he had sold in order to avoid the market being glutted by resales and the price being affected while he still had stock to sell. On the other hand he could find the legality of his transactions being questioned and he himself placed under pressure. It is a testimony to his ability that he appeared to survive the crash of 1720 and to continue his operations. Despite the fact that he claimed to be as surprised as anyone at the downturn of prices, he would appear to have divested himself of sufficient of his holdings to survive. He later claimed to have suffered losses,[50] but to what extent these were paper losses, it is impossible to determine.

The so-called 'Bubble Act',[51] was designed to curb the rash of speculative ventures which had proliferated in the latter part of 1719 and the early months of 1720. Despite the fact that many ventures disappeared in the aftermath of the crisis of the autumn of 1720, those schemes which had been floated before 24 June 1718, or had since received parliamentary sanction were allowed to continue. Thus the York Buildings Company, freed from the strictures of the writ of scire facias, and organisations such as the Mines Royal and Mineral and Battery

50 PRO C11/2397/44. Answer of Billingsley.
51 6 Geo.I. c18.

Works were still free to carry on speculative ventures although these were supposed to be closely related to the specific functions defined by their charters. From time to time new ventures did appear and the activities of one of these, the Harburgh Company, owed much to Billingsley's imagination but it was eventually outlawed by Parliament in 1723.[52] Therefore, there was still considerable scope for a speculator such as Case Billingsley as his dealings in the shares of the Mines Royal and Mineral and Battery Works clearly imply.

The Mines Royal and Mineral and Battery Works charters, as has been shown had been acquired by Billingsley and his consortium who had proceeded to raise a new subscription to float their marine insurance scheme. When this proved to involve legal difficulties and the Royal Exchange Assurance was formed with an independent charter, the Mines Royal and Mineral and Battery Works concern was still free to continue its operations in the mining and mineral fields.[53] Billingsley and an associate William Lilly, a London apothecary, had been concerned in Mines Royal and Mineral and Battery Works shares during the period when it was associated with the marine insurance venture. On 10 September 1720, the Royal Exchange Assurance decided that each owner of £100 of Mines Royal and Mineral and Battery Works stock should, as Supple shows, " be admitted to subscribe " £50 in Royal Exchange Assurance stock. £10 had

52. Vide infra.p,498.
53 Rees, Industry, Vol.2, p.665.

been paid in on each unit of Mines Royal and Mineral and Battery Works stock and the same amount was allowed as paid in on £50 units of Royal Exchange Assurance stock.[54] *This gave the Royal Exchange Assurance control of the stock of an enterprise they no longer required to carry on their marine insurance business.*

In 1721 Lilly claimed that he and a William Dale, acting on behalf of others, agreed to purchase the Mines Royal and Mineral and Battery Works stock from the Royal Exchange Assurance. Billingsley requested that he be included in the deal. Billingsley and Dale claimed they could not raise sufficient cash to provide their half of the £4,200 which must be paid to the Royal Exchange Assurance to fulfil their part of the bargain. Lilly raised the required £2,100, but Dale and Billingsley claimed they needed the money for other purposes and persuaded Lilly to get the Royal Exchange Assurance to accept £2,100 in cash, Lilly's own payment, and a joint bond for the remainder. Of the second £2,100 Lilly had raised, £1,300 went to Billingsley, £700 to Dale and £100 to Lilly. When the bond came to be honoured Lilly was forced to pay up by himself compounding to pay the Royal Exchange Assurance £548. It proved impossible for Lilly to get his money from Billingsley. In fact Billingsley's sons, Case Jnr. and John, approached Lilly on their father's behalf in August 1724 claiming he was in straitened circumstances because of the falling stock market and

---

54 Supple, Royal Exchange, p.46.

trying to borrow money for him. This could have been a ploy to avoid paying Lilly. In the meantime Billingsley had agreed with Philip Peck, another speculator, to take over leases the latter held from the Mines Royal and Mineral and Battery Works. The sum agreed was £1,500 of which Billingsley, or someone acting for him paid £500. Peck would not accept Billingsley's security as Billingsley had no money. Lilly covered the debt which he claimed cost him £170.[55] *Lilly would appear by his own admission to have been shabbily treated by his partner, but he and his family were quite capable of acting in a similar fashion as Billingsley was to find out at a later date.*[56]

Billingsley, Lilly and Dale, together with William Squire[57] *were soon involved in a complicated transaction to dispose of their new acquisition. On 6 July 1722 they entered into an agreement with Sir Fisher Tench and one Peter Hartop to sell them the rights to the Mines Royal and Mineral and Battery Works.*[58] *Tench was M.P. for Southwark from 1713 to 1722, a director of the South Sea Company from 1715 to 1718 and from 1725 a manager of the Charitable Corporation.*[59] *Hartop was a merchant, and, with Squire, a trustee in the Harburgh Lottery*

---

55 *PRO C11/1726/27, Complaint of Lilly.*
56 *PRO C11/1863/12, Billingsley v Lilly.*
57 *Squire was a director of the Charitable Corp., vide supra; p.407, and a trustee of the Harburgh Lottery. HCJ, Vol.20, p.116; vide infra, p482*
58 *PRO C11/672/24, Tench v Billingsley, Complaint of Tench and Hartop, 19 October 1726. Tench and Hartop were both directors of the Welsh Copper Company, an organisation with which Billingsley was supposed to have links. Post Boy, 30 July-2 August 1720; Daily Journal, 20 September 1721; Carswell, Bubble, p.168,171-2. They were also concerned with the Charitable Corporation, vide supra. p.415-416.*
59 *Sedgewick, Commons, Vol.2.p 465.*

in 1722.[60] *The agreement also covered the Mines Royal and Mineral and Battery Works leases with Peck and another where William Wood, another well-known speculator, was involved.*[61] *Billingsley and his partners were to transfer their rights in stock and leases to Tench and Hartop. They were also to ensure that the nominees of the new owners would be elected directors and officers at the next meeting. The effect would be to give Tench and Hartop effective control. In return Billingsley and his associates were to receive £7,000. Of this sum £500 was to be paid to Billingsley within one month upon proper delivery of stock, seals and documents, with a further £500 to him within two months. All four partners were to receive £2,000 in equal proportions in eight months and a further £4,000 in similar fashion within sixteen months. All of this was conditional upon a sufficient sum being raised by selling shares at £1 each. If sufficient sales had not been made Tench and Hartop were to transfer shares back to Billingsley and the others at £1 each. Furthermore if the payments to Billingsley were not made within the stipulated two months all documents and stock were to be transferred back to him. No share was to be sold by any party at less than £1. and the whole stock was divided into twelve thousand, four hundred units.*[62] *As the nominal capital of the Mines Royal and Mineral and Battery Works before the Royal Exchange Assurance had been established was*

---

60 *PRO C11/672/24, Complaint of Tench and Hartop HCJ, Vol.20.p.116.*

61 *This lease is mentioned in J.M. Treadwell, 'William Wood and the Company of Iron Masters' Business History, Vol.17.1974 pp.97-112*

62 *PRO C11/672/24, Complaint of Tench and Hartop.*

£1,212,000 in £100 shares[63] *or twelve thousand, one hundred and twenty units, this suggests a little had been added in the interim. It was also agreed that the leases be deemed part of the stock and profits from these be apportioned according to holdings. Billingsley received his £1,000 as he claimed he was in great need of it although the transfers had not been fully affected.*[64] *This was a typical Billingsley ploy to obtain money without delivering the goods and as usual his clients seem to have bent over backwards to accommodate him.*

The whole affair was complicated by a further agreement on 4 February 1724 between Tench and Hartop on the one hand and Lilly and Squire on the other, whereby the latter pair became entitled to one-half of the newly acquired Mines Royal and Mineral and Battery Works. In effect they were only transferring their original holding with Billingsley and Dale to Tench and Hartop in trust and this would have the effect of saving the purchasers £3,000. Tench and Hartop claimed Billingsley and his solicitors agreed to this. Tench however was unhappy about two factors in the transaction. In the first place he was not convinced that all the shares of the Mines Royal and Mineral and Battery Works had been transferred to the Royal Exchange Assurance. In other words Billingsley was trying to sell something he did not have. Secondly, Tench was

---

63 Supple, Royal Exchange, p.46.
64. PRO C11/672/24, Complaint of Tench and Hartop.

not certain that Lilly and Squire were being wholly honest with him. Thus he also involved Lilly and Squire when he took action against the Billingsley consortium. He was convinced that around one thousand, eight hundred shares had not been transferred to him. Despite this Billingsley was pressing Tench to pay the balance of £1,500 due to him or to re-transfer one thousand, five hundred shares. Tench refused, stating that despite their agreement Billingsley was also trying to dispose of Mines Royal and Mineral and Battery Works shares elsewhere. By doing this Billingsley was attempting to frustrate Tench's plan for complete control.[65] *The complex nature of these agreements and the attempts by Billingsley to use the resultant confusion to his own advantage are in accord with his methods used during the stock boom of 1720 and serve to highlight his extremely dubious conduct in business affairs.*

It is uncertain as to whether Tench ever fully secured control of the Mines Royal and Mineral and Battery Works. By 1728, the governor was Sir John Meres, former governor of the York Buildings Company, and, as already noted a major shareholder in the Charitable Corporation, with which Tench himself was closely connected.[66(a)] *At this stage the Mines Royal and Mineral and Battery Works was concerned in dealings with William Wood which involved the financing of a dubious attempt to float an iron company which never materialised.*[66] *The links with*

---

65 *Ibid.*
66 *Treadwell, Business History p.106.*
66(a) *Vide supra, pp.398, 408.*

those concerned with the York Buildings Company, therefore, were still being maintained in this enterprise and the tentacles of so many dubious concerns reach back to that organisation.

Billingsley's dealings with his associates serve to illustrate the precarious nature of business life in the early eighteenth century. Erstwhile partners could easily end up as opponents in protracted disputes. One such dispute involved Billingsley and his partner Benjamin Joules over the Harburgh Company scheme.[67] *Another case concerned Billingsley and William Lilly, his associate in the York Buildings Company, Royal Exchange Assurance and Mines Royal and Mineral and Battery Works ventures. Lilly claimed that Billingsley had dealt in Mines Royal and Mineral and Battery Works shares in 1719 and had not remitted the proper proceeds to him. Lilly also said he had to finance the deal which acquired the Mines Royal and Mineral and Battery Works from the Royal Exchange Assurance.*[68] *Billingsley stated in a later action that he had obtained judgements against Lilly in 1726 amounting to around £4,000 but that before he could get the money, Lilly died on 17 February 1727. Billingsley attempted to halt the settlement of the estate in order to ensure his interests were taken into account. In this he was frustrated by Lilly's widow who, promising to pay Billingsley, persuaded him to drop his objections to allow her to settle the estate. Mrs. Lilly went back on her promise, claiming, to Billingsley's annoyance,*

67 PRO E 112/1172/556, Billingsley v Joules. For details of the scheme vide infra ch.8.

68 PRO C11/1762/27, Complaint of Lilly.

there was hardly enough money to pay his debts.[69] Trust, it would appear was something completely absent in dealings between Billingsley and his associates.

Several items in Lilly's estate, however, are important to the wider aspects of this study. Lilly was involved in the Charitable Corporation, having dealings with Tench, Dale and Higgs, the corporation secretary, among others. He also held shares in the Mines Royal and Mineral and Battery Works and the Welsh Copper Company. The latter was also one of Billingsley's interests and had been subject of a write of scire facias in 1720.[70] Thus like Billingsley, Lilly was involved in many of the dubious enterprises of the Bubble era.

One other aspect of Billingsley's activities deserves mention - his role as a potential pioneer of technology. Even in this field, however, he appreciated the financial possibilities of his ideas. When a reward was announced for anyone developing a method of determining longitude at sea, Case Billingsley soon came up with a proposal, although nothing appears to have come from it.[71] During the 1720s, however, Billingsley was involved in attempts to develop water engines. A newspaper announcement of 1720 indicated he was about to be granted a patent in this field but again it came to nothing.[72] However, Billingsley was granted a patent for a water engine on 6 May 1728.[73] The basic idea was that his method of disposing of the water was such that

---

69 PRO C11/1863/12, Complaint of Billingsley.
70 Ibid; Carswell, Bubble, p.168,171-2.
71 E.G.R. Taylor, Hanoverian Practitioners(1966)p.111. I am grateful to Miss Christine Macleod of King's College, Cambridge for references to Billingsley's activities in this field.
72 Applebee's Orininal Weekly Journal, 2 July 1720.
73 British patent 496 listed in B.Woodcroft, Alphabetical Index of Patentees of Inventions 1617-1852.(1854 repr.1969)p.48.

friction would be kept to a minimum.[74] *The patent was applied for and approved by the Attorney-General in 1724 but not finally granted until 1728. No reason can be found for the delay. Case Billingsley's son John was also interested in this field. He applied for a patent for a water engine in 1732 which, in addition to pumping, could be used for stamping and sawing.*[75] *This patent appears to have passed all of the relevant stages except the final granting of a Signet Office docquet which implies that it had been stopped, or not taken further by Billingsley. In view of their connections with the York Buildings Company these developments are extremely interesting. Case Billingsley's patent could have been of use to the Company for their waterworks and John Billingsley's ideas could have been adopted in the company's lead works at Strontian and the iron and timber operation on Speyside. Given their activities in other aspects of business, the possibility that they pirated the ideas of others working for the company cannot be overlooked. Excursions into this field, however, do demonstrate the wide-ranging activities of businessmen at this time and show how the roles of enterpreneur, manager and technologist could quite readily be combined in one person.*

Billingsley's activities are, therefore, extremely important to a study of the York Buildings Company. As promoter of the company it is essential to understand his motives in floating

74 SP 35/50/5.
75 SP 36/25/94-5.

the enterprise. By examining the wider context of his activities it is possible, through Billingsley, to link the company with other speculative and equally dubious ventures manipulated and ultimately abandoned by a small group of businessmen of whom Billingsley was one of the leading figures. Also one can see how a determined figure such as Billingsley was able to use the law to its full advantage to further his business aims. Finally, the diversity of Billingsley's affairs give us a fair picture of the activities of a certain type of businessman and thus lead to a wider understanding of the financial climate in which the York Buildings Company had to operate in the 'Bubble' era.

CHAPTER 8.

THE HARBURGH COMPANY & ITS LOTTERY

The Harburgh Company[1] and its activities are worth examination for three main reasons. Firstly, the operations conducted by Case Billingsley and others active in the York Buildings Company are more readily intelligible. Secondly, the limited effects of the Bubble Act in repressing the energies of some businessmen intent on making money through company promotion and dubious business practices are likely to be more clearly understood. Thirdly, the links with the York Buildings Company were so strong - not least in the similarity of business methods - that it is hoped that the assessment of that company may be more accurate as a consequence of this case study.

The Harburgh Company was established on 30 November 1720, when a charter was obtained from George I as elector of Brunswick and Luneburg.[2] Among the objectives of the company was a plan to foster trade between Britain and the king's German possessions for which concessions were to be given, and an obligation accepted to deepen the River Elbe and construct a harbour at Harburg. Significantly the company's powers included permission to form a bank in Harburg and to organise a lottery under the king's direction to be drawn in Hanover.[3] The scheme was to be linked with an earlier one granted in 1720 in Hanover which allowed for a manufacturing concern. Thus,

---

1. In this section the spelling 'Harburgh' has been used to denote the company, and 'Harburg' to identify the town.
2. Lord Viscount Barrington's Case in Relation to the Harburgh Company and the Harburgh Lottery, (1723), p.3.
3. PRO E112/1172/556/1 Billingsley v Joules, Complaint of Billingsley; HCJ, Vol.20,p.116; Barrington's Case,p.3.

in effect, a united company was to be formed.[4] *However, it would seem that the two companies also had a degree of separate existence, at least until 1721.*

The fact that the company was established abroad so soon after the passing of the Bubble Act, and that it was, in effect, directed from London, would appear to suggest that some of its promotors at least, were seeking a way round the provisions of the act . To allay the doubts of some officers and shareholders, a British charter was sought and some waverers placated by assurances that this would be forthcoming.[5] *Failure to obtain a British document meant that the company's proceedings in England were of dubious legality and eventually gave the House of Commons grounds for establishing an investigation into the lottery, thus bringing other aspects of the conduct of the company's affairs to the notice of the public.*[6]

The governor of the company, as with so many other concerns, was a member of the royal family, Prince Frederick, who took no active part in the company's affairs. The company's German trading charter was apparently sought by Alderman Baylis and Sir John Eyles, among others.[7] *Baylis actively came to oppose many of the company's later actions. Eyles, sub-governor of the Harburgh Company under its charter was a noteable business figure of the period. He served as a Whig M.P. from 1713 to 1734*

---

4. *HCJ, Vol.20.p.117-118.*
5. *Ibid.,p.118; Barrington's Case, p.6.*
6. *HCJ, Vol.20.pp.115-125, Report on the Harburgh Lottery.*
7. *Barrington's Case, p.3.*

sitting for Chippenham until 1727, then for the City of London until 1734. He served as sub-governor of the South Sea Company between 1721 and 1733 and virtually steered that concern through its difficulties following the crisis of 1720. In 1732 another member, Edward Vernon accused Eyles and other direcors, in the House, of carrying on private trade to the detriment of the South Sea Company but this was vigorously denied and it took the speaker and several others to calm the situation. The following year Eyles demitted office on the grounds of ill-health. He also served as a director of the Bank of England and of the East India Company.[8] The other sub-governor of the company was the 1st Viscount Barrington, an Irish peer.[9]

Given Eyles standing in the business comminity it is somewhat surprising to find him involved in a project of this nature, notwithstanding the dubious nature of the South Sea allegations. It is difficult, though, to determine the exact extent of Eyles' involvement with the company. The House of Commons report on the lottery contains no information on his activities. As Eyles sat on that committee one can point to the possibility of his role being deliberately minimised.[10] On the other hand there was no attempt by Lord Barrington to implicate Eyles when he himself was called upon to account for his actions. On balance it seems probable that Eyles took a relatively minor role in the affairs of the company.

---

8. Sedgewick, Commons, Vol.2.p.21; Dickson, Financial Revolution, p.117.n.
9. Barrington's Case, pp.4, 19.
10. HCJ, Vol.20.p.75.

The promotion of the company's more dubious actions appeared to stem from a small group of men, some of whom had strong links with the York Buildings Company. There is no evidence, however, that Lord Barrington was involved with the management of the York Buildings Company though he was a key figure in the Harburgh operation. He held between £1,000 and £2,000 worth of stock in the York Buildings Company in 1735 but there is no evidence as to how long he had held this stock. The holding itself was too small to qualify him for office as governor or as an assistant.[11] *Of his associates, Sir Alexander Cairnes and Fiennes Harrison were directors of the York Buildings Company. These three were linked with Benjamin Joules who was given responsibility for the proposed civil engineering works in Germany, and at one stage, was assignee of the lottery.*[12] *Joules for his part, was responsible for bringing Case Billingsley into the scheme. Billingsley was soon to add the promotion of the Harburgh lottery to his earlier schemes for the York Buildings Company. The links between Billingsley and those involved in the Harburgh Company extended to other enterprises. Billingsley and Cairnes were both directors of the Royal Exchange Assurance and the English Copper Company in 1720.*[13] *Fiennes Harrison was a director of the latter organiastion in 1723 by which time Billingsley and Cairnes were no longer directors of either of these concerns or of the York Buildings Company.*[14]

---

11. List of Proprietors, (1735).
12. PRO C11/1816/11 Westmoreland v York Bldgs Co; HCJ, Vol.20,p.116; Murray, York Buildings, p.28.
13. Vide supra., p40; Daily Courant, 1 July 1720; ibid.,13 August 1720.
14. Daily Journal, 29 March 1723; Daily Courant, 29 June 1723.

John London was a director of the York Buildings Company at the time of its re-organisation in 1719 and a director of the Royal Exchange Assurance between 1720 and 1723, as well as a trustee of the Lottery and director of the Harburgh Company.[14(a)] *William Squire was concerned with Case Billingsley in a transaction involving the Mines Royal and Mineral and Battery Works ; the other party to that agreement was Peter Hartop. Both Squire and Hartop were trustees of the lottery and directors of the Harburgh Company and as we have seen, they were also closely involved with the Charitable Corporation.*[14(b)] *Another trustee and director of the Harburgh Company, Benjamin Burroughs was also involved with the Charitable Corporation.*[14(c)] *The links between the York Buildings, the Charitable Corporation and the Harburgh Company were very close indeed and clearly suggest that a distinct group of people were involved in manipulating these and possibly other companies for their own dubious ends. They were not a coherent group as at times their interests conflicted and disputes arising from such clashes were fought out in the courts. Their common aim was personal gain and to that end the companies were ruthlessly exploited with no attention being paid to the general good of the stockholders as a body. Companies, to such people, were merely another commodity to be exploited.*

14(a)PRO C11/1816/11, Westmoreland v York Bldgs Co.; Daily Courant, 1 July, 1720; Ibid, 29 June 1723; HCJ, Vol.20,123; Cobbett's History of Parliament, Vol.8. Col.64.

14(b)HCJ, Vol.20.p.123; Cobbett, Vol.8,col.64; Vide supra,pp.415-416.

14(c)HCJ, Vol.20.p.123; Cobbett, Vol.8,Col.64.

The connection with Billingsley was, therefore, unmistakeable and it is hardly surprising that later operations had a fimiliar Billingsley ring, though he does not appear to have been a director of the Harburgh Company.

This faction met with a fair degree of opposition to their plans from within the company. Baylis, for one, argued against their schemes in private and in public. Sir Thomas Webster, a deputy governor, also attempted to bring their conduct into the open. Despite these determined efforts, it took a parliamentary investigation to expose the extent of the activities of this particular group and to terminate them.[15]

The exact amount and nature of the capital structure of the enterprise is uncertain. The nominal capital of the trading company was £500,000 and of the manufacturing concern, £540,800.[16] *The evidence examined makes it difficult to ascertain with accuracy how much stock was actually issued. A two per cent call was made which raised £20,000 - £13,000 in cash and £7,000 in notes. The sum taken in suggests £1m. of stock was issued but all the indications are that only £500,000 was in circulation by the time of the parliamentary report, and that appeared to be the stock of the trading company. The latter was the amount of stock later linked to the £1m to be issued to holders of blanks in the company's lottery bringing the total stock up to £1.5 million. The manufacturing company did lose*

15. <u>HCJ</u>, Vol.20:pp.119-120.
16. <u>Ibid</u>., pp.117-118.

its separate identity but whether this came in 1721 or 1722 is uncertain. Barrington, at one stage, certainly agreed to the giving up of the manufacturing company's charter to accomplish a union between the two ventures.[17] There is no evidence to indicate what became of the stock or if the £20,000 paid in did include a two per cent payment on the manufacturing company's stock.

The actual fate of the £20,000 collected on the stock was a cause of some concern. The Commons Committee stated that they could get no information on this, as they were unable to see the books, but they believed the money to have been embezzled. The difficulty in eliciting information was that the committee was unwilling to interfere in matters which concerned the king's German territories - and the company had been floated there.[18] Billingsley later tried to convey the impression that Joules had taken the money. In a later case arising between them he constantly demanded that Joules account for the money.[19]

Joules would appear to have made some money from the floatation of the stock. At one stage £100,000 worth of trading company stock was disposed of at £15.3s-d per cent of which only £2 per cent found its way to the company. Of the other £13.3s-d which raised £13,150 - £3,150 went to Joules and the other £10,000 to a director, John Christian Nicolai.[20] Nicolai asserted that the money he received was for services rendered

17. Barrington's Case, pp.19-21.
18. HCJ, Vol.20.p.115.
19. PRO E112/1172/556, Billingsley v Joules.
20. HCJ, Vol.20,p.115.

to the enterprise since 1716 and that these necessitated several journeys to Hanover. The implication here is that the scheme had been in some people's minds long before the 'Bubble' era. Nicolai claimed only to have received £8,800 from Joules and to have laid that out in South Sea subscriptions.[21] *The attempt of one director, Nathaniel Brassey, to get an accurate account of these transactions from Lord Barrington, then sub-governor, was unsuccessful. Brassey stressed he was most anxious to see the statement as he felt Joules could not account for the money he had received.*[22] *Another enquirer, Moses Raper, met with a similar refusal.*[23]

Perhaps the most illuminating account of this particular stock transaction was given to the Commons Committee by a director Andrew Hope, who had purchased £10,000 of stock at £15.3s-d per cent. Like the others he found Lord Barrington unwilling to give him any information so he turned to Joules. The latter informed Hope that Barrington and Cairnes had authorised him to dispose of £100,000 of stock at this price and as treasurer, he received the money by their order. Hope could find no trace in the records that he had paid for this stock. He also complained that he appeared to have no more privileges than the holders of the remaining £400,000 worth of stock who had paid only two per cent. The significant fact was that Hope believed one, John Lloyd, who had purchased £30,000 worth of

---

21. *Ibid.,p.120*
22. *Ibid.,p.117.*
23. *Ibid.,p.119. Raper was a director of the Bank of England, Weekly Journal or British Gazetteer, 8 April 1721.*

stock at £15.3s-d per cent and had sold some at 80 and 60 and more of it from 20 to 30 per cent. He pointed out that for these transactions no stock transfers were made and no receipts given.[24] *This latter point is hardly surprising as such stock transfers were illegal in England. What is curious is that the Commons committee did not point this out specifically in its report, concerning itself only with stamping out the lottery. It could be argued its remit extended only to the lottery, but, given the concern of the government and parliament with 'bubbles' one might have expected comment at least on the stock transactions.*

As the company was chartered in Germany, the stock could not be openly traded in London. Stock had to be subscribed for in Harburg. To facilitate this, Joules was to get a letter of Attorney which would have allowed him to act for prospective purchasers. One of the people to whom he offered stock was Case Billingsley, who later claimed to be sceptical about the enterprise, saying he did not agree to subscribe until he had investigated the proposals.[25] *Billingsley's caution was shown by the fact that when he did agree to subscribe, he did not pay cash for his initial issue but gave Joules a note which would only be valid when endorsed by a quorum of directors of the company. Billingsley also wished to be certain that the stock was transferable.*[26] *Given our knowledge of Billingsley's*

---

24. *HCJ, Vol.20,p.120.*
25. *PRO E112/1172/556/1 Billingsley v Joules, Complaint of Billingsley.*
26. *Ibid. The subscription was for £18,000 of stock at £2 per cent or £360. Later Billingsley gave another note for £120.*

activities in other concerns, this caution on the part of a known speculator seems a reasonable indication that he was well aware of the dubious nature of the enterprise.

The granting of a German charter implied that meetings of the directors and general courts should have taken place in Germany. No such meetings were held and Billingsley was later to claim that, because these provisions had not been complied with, the company had forfeited its charter. He also asserted that the proposed port would have been impossible to construct. Considering he drew up a lottery scheme to finance the building - supposedly to the extent of £500,000 - his claim would seem audacious![27] His statement concerning the meeings was probably also incorrect, as it was claimed the directors at least could meet in England or Harburg and no one appears to have challenged the holding of general courts in London.[28]

The fact that the company possessed only a German charter meant that its activities in Britain were decidedly limited. Thus many of those involved with the company were anxious to ensure that a British charter was obtained, and Lord Barrington kept assuring people that this was about to happen.[29] The fear of many stockholders was that without this charter the company would be regarded as fraudulent in Britain. The Bubble Act was no doubt in many people's minds. Early in August 1722, the company applied for a British charter similar to their

---

27. *Ibid.; HCJ, Vol.20,p.117.*
28. *Ibid.*
29. *Ibid. pp.118-119.*

German one.[30] *In order to further their case, Lord Barrington, Sir Thomas Webster and Sir Charles Wager, all members of parliament, the latter two deputy governors of the company, had approached Sir Robert Walpole, Lord Townshend and Lord Carteret and sought their aid. The government had a two-fold objection to a British company of this nature. In the first place it did not approve of certain trading privileges the company would enjoy in Germany. Secondly, and more important, they did not like the idea of a joint-stock company.*[31] *Also Walpole, Townshend and Carteret informed the company that a British charter concerning the company's lottery could not be granted because it was impractical and illegal. Lord Barrington was anxious that this decision be kept secret, but Sir Thomas Webster ordered George Ridpath the secretary to call the directors together so that they could be informed of the decision.*[32]

The directors reacted promptly to this blow to the company's hopes. At a meeting on 31 August 1722, they decided to set up a committee to put forward a plan which would overcome the governments's objections. The committee recommended its trading privileges be extended to all Britons willing to pay £30 to become freemen of the company. This was in line with general government policy to abandon company monopolies on European trade by opening up such companies as the Eastland Company and the Russia Company to all those paying a small fee.[33]

---

30. *Barrington's Case, p.6.*
31. *Ibid; Ewen, Lotteries, p.183.*
32. *HCJ, Vol.20.p.119.*
33. *P. Griffiths, A Licence to Trade, (1974), p.39-40; R. Robert, Chartered Companies, (1969),p.55.*

Those who decided not to avail themselves of this facility would still be able to trade with Harburg but be subject to normal duties and fees. This scheme would have been unlikely to have appealed to the government as the involvement of such a company in North Sea trade would have been opposed by those already engaged in it. The proposal, however, was adopted by the directors at a meeting on 4 September 1722 and endorsed at a general meeting of the company held on the same day.[34]

Despite the proposed amendments, no charter was forthcoming. The company was now split. It was generally felt that it was against the law to proceed with the lottery. For this reason, Lord Barrington was very keen to keep the fact that the charter had been refused a close secret. Men such as Baylis and Sir Thomas Webster refused to have anything more to do with the company.[35] *Despite this, the scheme for the lottery appeared in The Flying Post for 4 - 6 December 1722. The editor of this newspaper was none other than George Ridpath, secretary to the Harburgh Company and to the lottery trustees.*

Even before the scheme was published, the Harburgh Lottery had had a chequered history. The power to conduct a lottery in Harburg was granted to the company in the original charter of 1720. This was changed in September 1721. In return for an undertaking to carry out the civil engineering projects in Germany, the profits of the lottery were assigned

---

34. *HCJ, Vol.20,p.123.*
35. *Ibid.,p.119.*

to Benjamin Joules. In October, Joules petitioned the king to issue a warrant for a lottery of £1.5 million. On 19 December this was granted subject to the king's approving the method and time of drawing of the lottery. Seven trustees were appointed - Lord Barrington, Fiennes Harrison, Henry Bendysh, another director, Joules and three Germans. The trustees had powers to co-opt others if the need arose and were authorised to lay a scheme for the lottery before the king. In January 1722, three lawyers advised the company that the lottery could be published and tickets issued in England. On 30 January the king approved the scheme for a five part lottery of £1.5 million.[36]

In July 1722 the company changed its mind concerning the lottery. It was felt that it was more appropriate that the company carry out the works itself. On a motion by Sir Thomas Webster it was decided to give Joules £10,000 in five instalments of £2,000 to be paid as individual parts of the lottery were drawn, provided that particular part was full. In return Joules promised to re-assign the profits of the lottery to the company. As the lottery had reverted to the company, it was decided to appoint all the British directors as trustees, in addition to those originally named. Most directors agreed to be appointed, and they, together with one Francis Kreinbergh, a proprietor of stock, were appointed on 16 September 1722.[37] *During this period, as we have seen, the dispute over the British*

---

36. Barrington's Case, pp. 4-5.
37. Ibid. pp 5-7.

charter arose, and the names of Sir Thomas Webster and Alderman Baylis were significantly abesent from the list of trustees. Given his earlier activities in the company, the fact that Sir Alexander Cairnes name was also omitted was significant. He had gone bankrupt in October 1720 as a result of the collapse of the stock market.[38]

The scheme of the lottery was devised by Case Billingsley when Joules held the franchise.[39] *By a deed of agreement drawn up between the two men on 30 September 1721, Lord Barrington claimed that Billingsley was to receive two per cent of the value of the lottery for his plan if the lottery was filled. If true, this would have netted Billingsley a maximum of £30,000. It would appear that Billingsley and Joules were in very close collaboration over this, as the latter refused to reassign the rights of the lottery unless the agreement with Billingsley was upheld. It was claimed that as the large amount payable to Billingsley was only a contingency, he would sell the rights for £6,000. Despite pressure from Lord Barrington, though, he refused to give up any concessions made to him by Joules.*[40] *In a speech to the House of Commons,*[41] *Lord Barrington claimed that in fact Billingsley's two per cent was to come out of the contingent profits of the lottery and was not on the whole sum of £1.5 million. Therefore, Billingsley would have received nothing like £30,000. Lord Barrington claimed that in fact*

---

38. Murray, York Buildings, p.28.
39. HCJ, Vol.20,p.116; Barrington's Case, p.15.
40. Ibid.
41. A Speech on the Question That the Project called the Harburgh Lottery is an Infamous and Fraudulent Undertaking (1723). The speaker is not identified but internal evidence points to Barrington.

it was better to offer Billingsley two per cent on the profits rather than an outright payment of £1,000 before the scheme got off the ground.[42]

The whole question of fees and expenses for the lottery was beset with complications and contradictions. In addition to payments to Billingsley and Joules, the wider concept of management costs was later queried. Giving evidence before the Commons committee, Nathaniel Brassey, a director, said that at one board meeting he attended, Lord Barrington informed those present that £75,000 was to be provided for the management of the lottery. At the same meeting, Barrington proposed that £75,000 be given to Joules for his rights to the lottery and for work at Harburg, but this was later modified. Brassey claimed to have objected to the size of the management charge as Alderman Billers had offered to supervise the scheme for £20,000 provided he, Billers, thought it fair. Barrington turned the suggestion down on the grounds that the royal assent had been given to the expenditure of £75,000 on the lottery, and it was necessary to adhere to this sum. On further questioning Barrington as to the uses to which the £75,000 was to be put, Brassey was told these were private and in effect, none of his business.[43]

It was further claimed that Billingsley's share was to include the cost of preparing and publishing the lottery as

---

42. Ibid., p.8.
43. HCJ, Vol.20,p.118.

well as printing and issuing the tickets.[44] Billingsley had the tickets printed, and they were issued from York Buildings House,[45] headquarters of the York Builidngs Company. The trustees of the lottery received the money for the tickets. Joules, giving evidence to the Commons committee, said he did not know how many tickets were issued.[46] The scheme was first published and the tickets issued on 13 November 1722.[47]

On the surface the lottery seemed attractive. There were to be five hundred thousand tickets costing £3 each, payable in five instalments of 12s-d, to be paid before the drawing of the lottery. Prizes were as shown in Table 8:1.

TABLE 8:1.

Scheme of Prizes & Blanks in the Harburgh Lottery.

Individual Parts				Whole Lottery.	
No.of Prizes	Value	Total	No.of Prizes	Value	Total
1 First Drn.	£ 101	£ 101	5 First Drn.	£ 101	£ 505
1	4,000	4,000	5	4,000	20,000
1	2,000	2,000	5	2,000	10,000
2	1,000	2,000	10	1,000	10,000
4	500	2,000	20	500	10,000
5	400	2,000	25	400	10,000
7	300	2,100	35	300	10,500
10	200	2,000	50	200	10,000
22	100	2,200	110	100	11,000
60	50	3,000	300	50	15,000
201	20	4,020	1,005	20	20,100
996	10	9,960	4,980	10	49,800
32,024	5	160,120	160,120	5	800,600
1 Last Drn.	500	500	5 Last Drn.	500	2,500
			Last Blank but two	3,000	3,000
			Last Blank but one	7,000	7,000
			Last Blank	10,000	10,000
33,333		196,001	166,665		1,000,005
66,667 Blanks @ £3 in Stock Value £1.10s-d.		100,000½	333,335 Blanks at £3 in Stock Valued @ £1.10s-d.		500,002½
100,000		£296,001½	500,000		£1,500,007½

SOURCE: HCJ, Vol.20, pp.121 122 Report of the Committee on the Harburgh Lottery.

44. Speech, pp.8-9.
45 HCJ, Vol.25p.116.
46. Ibid.
47. Barrington's Case, p.8

The prospectus tried to give the impression that the investor had very little to lose. Of the £1.5 million collected, £1 million was scheduled to be returned as prizes and there was one chance in three of drawing a prize. For the holders of the two-thirds of the tickets drawn blanks, there was to be adequate compensation. Each blank was to qualify for £3 of capital stock of the company, which it was claimed would become more valuable as only five per cent was to be deducted from the scheme for management charges. The prospectus valued the stock at £1 10s-d per £3 unit. As an added inducement to prevent any one person running the risk of great loss, there was a special scheme for those purchasing more than twelve tickets. If the purchaser paid 12s-d extra per ticket, and the total amount of prizes and value per blank of each of these tickets (taking the value of stock on each blank to be £1.10s-d cash) fell below an average of £3 per ticket, the promotors would make the value up to £3 by a cash adjustment within two months. In this way, it was claimed the maximum to be lost, if all tickets were drawn blanks, was 10s-d per ticket.

The prospectus also included a plan whereby the company would lend money on the security of the tickets. On one hundred tickets a holder could borrow 9s-d per ticket, on

fifty, 7s-d, and on twenty-five 5s-d per ticket. The sums were to be interest free, and payable in four instalments, together with the instalment on the lottery ticket itself. If any ticket drew a prize in an early part of the lottery, the company was empowered to keep a sufficient sum to pay the outstanding balance due on all the holders' tickets. Encouraging investors by means of loans and advances was fairly common at this time. The York Buildings Company had lent money on the tickets of its first lottery.[48] *During the speculative mania of 1720 the Bank of England, the South Sea Company and the Royal Africa Company had all lent money to their investors on the security of their own stock.*[49]

The stock of the Harburgh Company being nominally £1.5 million, it was reckoned by this scheme that it would be actually worth twenty-nine per cent, or £435,000. In addition the value would be enhanced by privileges such as trading free of customs at Harburg for forty years, lands given to the company in perpetuity and twenty-five per cent of sums laid out in building houses. The proprietors of lottery blanks would, under the scheme, hold two-thirds of the stock of the company.[50] *Those set to gain most were the proprietors of the original stock who, having paid in only two per cent on their investment, now found it could have advanced to twenty-nine per cent. This had all the hall-marks of a 'bubble' and it is scarcely surprising that Parliament was called upon to investigate it.*

---

48. <u>Vide supra</u>. p116.
49. Dickson, <u>Financial Revolution</u>, pp.143-145.
50. <u>HCJ</u>, Vol.20,pp.122-123.

The House of Commons was quick to react to the Harburgh Lottery. Barrington claimed that without a complaint being received, but at the instigation of John Hungerford, a committee was set up to investigate the Harburgh and other foreign lotteries, but this body concentrated solely on the former project.[51] *Hungerford was no stranger to this sort of investigation. He had chaired a committee which, in 1720, had investigated the projected companies which had sprung up in 1719 and 1720. He had been particularly associated with the South Sea Company and had been especially critical of Billingsley's role in the promotion of the marine insurance scheme which ultimately became the Royal Exchange Assurance Company. He was, therefore, unlikely to look with favour on Billingsley's latest idea.*[52]

Most of those principally involved with the Harburgh Company were examined by the committee, but Billingsley proved too elusive for them. Along with Ridpath he claimed he was too ill to attend the committee who ordered they were to be interrogated at their own homes.[53] *Ridpath was eventually questioned*[54] *and a claim was put forward that Billingsley was also,*[55] *but the latter was untrue. On 15 January 1723 it was reported that Billingsley had absconded.*[56] *Accordingly, he was ordered to be taken into the custody of the Sergeant-at-arms.*[57] *It was reported that he had fled to Holland but claimed that this could merely have been a rumour, put out by his friends, to*

---

51. *Barrington's Case, p.8.*
52. *Special Report (1720), p.5; HCJ, Vol.19,p.341; Sedgewick, Commons, Vol.2.p.161.*
53. *British Journal, 29 December 1722.*
54. *HCJ, Vol.20,pp.116-117; British Journal, 5 January 1723.*
55. *Ibid.*
56. *Daily Journal, 15 January 1723.*
57. *Ibid., 19 January 1723.*

cover the fact that he was closer to home.[58] The implication clearly was that, for certain people at least, it was not desirable for Billingsley to appear before the committee.

In the absence of what could have been the star witness, it is hardly surprising that the committee came out firmly against the scheme. When they analysed the figures in detail, they found out it was far from advantageous to the investor as claimed in the prospectus. Table 8:2 shows how the committee believed the existing proprietors would benefit from the lottery at the expense of those entering by way of the lottery.

TABLE 8:2.

Division of Lottery Proceeds.

500,000 Tickets @ £3 each		£1,500,000
Less Prizes.		1,000,000
Value of Blanks to share £1m stock		500,000
Less Management Changes @ 5% on £1.5m.		75,000
Net Money belonging to holders of blanks		425,000
Add Value of £0.5m existing stock 2% paid		10,000
Real value of £1.5m stock representing a price of 29%		435,000
Less One third attributable to existing shareholders.		145,000
Value remaining to holders of Blanks		290,000
Real gain to original shareholders	145,000	
Less Original Value of stock	10,000	
Net sum taken from lottery investors	135,000	
Add Management charges	75,000	
Total gain for managers & old stockholders		210,000
Representing 42% of the net sum advanced by lottery investors.		
		£ 500,000

SOURCE: HCJ, Vol.20.p.124, Report of the Committee on the Harburgh Lottery.

Although the holders of blanks were being given stock of £3 per ticket valued at £1.10s-d(or 50%) the real value was nothing like

58. London Journal, 23 February 1723; Mist's Weekly Journal, 9 March 1723.

that. In fact their stock would be covered by assets (almost exclusively their own cash) to give a realistic value of 29%. This gives rise to the question as to who stood to benefit from the lottery. First of all the organisers and managers stood to gain £75,000 less expenses. Secondly, the original proprietors of the company found the real value of their holding raised to £145,000. If one deducts the £10,000 paid on the 2 per cent call, this is a real increase of £135,000 or 9 per cent of £1.5m. This meant a total deduction of 14 per cent from the whole scheme as against 5 per cent stated in the prospectus. Looked at in terms of the £0.5m. the lottery was expected to raise for the company's plans, this meant that 42% was actually going to, or be attributed to, managers and old stockholders.[59] *No doubt many people appeared in both capacities but unfortunately data deficiencies preclude detailed analysis. It was hardly surprising that the Commons voted the Harburgh Lottery "an infamous and fraudulent undertaking", which linked a real subscription of £425,000 with a fraudulent one on which only 2% was paid. The House resolved to bring in a bill to suppress the lottery.*[60]

For Lord Barrington the scheme was doubly disastrous. No doubt, despite his claims to the contrary, he lost the opportunity to make a great deal of money. More important, was the fact that he was expelled from the House of Commons for his part in

---

59. *HCJ, Vol.20.p.124.*
60. *Ibid., p.125.*

the affair. Barrington was none too pleased at his expulsion, believing himself to have been singled out for blame. In particular he was annoyed that Sir Thomas Webster and Sir Charles Wager had escaped censure.[61] *The former had in fact given evidence to the Commons committee, in which he claimed to have opposed some of the company's actions. The latter sat on the committee itself.*[62] *It seems possible, therefore, that Eyles, Wager and Webster had sufficient influence to steer the investigation away from themselves, and that Barrington was made the scapegoat.*

Barrington believed that the Harburgh lottery was being unfairly singled out for opprobium for claiming 14% for managing the lottery, when the York Buildings Company and other lotteries regularly deducted 19 or 20%.[63] *He also felt aggrieved that the House had not spelt out the exact nature of the fraud it claimed existed. He maintained that the lottery would have been more advantageous to the participants than the scheme suggested. On the other hand Barrington denied any involvement in the printing of the prospectus. Finally he felt that the Harburgh Company itself had fallen, not due to any misconduct on his part, but to the envy of others, most notably the citizens of Bremen and Hamburg, the Dutch, and the court of Vienna, all of whose interests he felt would suffer as a result of the company's success. In his speech to the*

---

61. Barrington's Case, p.12.
62. HCJ, Vol.20, p.75.
63. Barrington's Case, p.13.

House of Commons, he stressed the commercial advantages the company could have enjoyed, but most seemed vague and exaggerated. He even went so far as to claim that £150,000 per annum could be made from herring alone. Thus the stockholders coming in via the lottery could have the £210,000 deducted from them, repaid in around eighteen months. Such schemes appear wildy improbable, but seem to be indicative of the general conduct of Barrington at this time. During his address to the House of Commons on 14 February, 1723, he was interrupted by Walpole, who assured the House that Barrington and his scheme had never had any encouragement from the government.[64] Barrington's speech made little impression on the Commons, who voted to expel him.[65]

Few people had in fact subscribed to the lottery before it was stopped. It was later stated that only £120 had been taken in, and by 4 March 1723 the trustees claimed only £11.8s-d was outstanding and invited those entitled to this sum to reclaim their money.[66]

There were several reasons why the Harburgh Lottery failed to catch the public's imagination. The most important was that the events of 1720 had caused a rash of bankruptcies and a crisis of confidence in the business community. This has best been summed up by Ashton, saying,

> "It was only slowly that confidence was restored and that money trickled out of the iron chests of merchants and the stockings of smaller tradesmen." [67]

---

64. Sedgewick, Commons, Vol.1,p.438.
65. HCJ, Vol.20,p.141.
66. Daily Courant, 4 March 1723; The Case of the Trustees of the Harburgh Lottery (1723).
67. Ashton, Fluctuations, p.121.

Investment from these sources was essential for the success of the Harburgh scheme, and it was not forthcoming. Secondly, the general trend in the stock market in 1722 was for the prices of leading stocks to fall. Between 15 January and 1 November 1722, South Sea Company, Bank of England, East India Company, Royal Africa Company and Royal Exchange Assurance stocks all fell. A slight recovery had been noted in the latter half of October 1722 in respect of the first of these stocks, but this could not be sustained.[68] *Finally, lotteries, with their overtones of gambling were not a suitable type of investment for the financial climate of the period following the collapse of the bubbles of 1720. This was confirmed by the fact that the York Buildings Company lotteries of the same period also failed.*

The evidence clearly points to the fact that the Harburgh Company and its lottery were designed to defraud the public. There is no doubt that the lottery would have increased the value of the existing stock, and transferred title to assets to these people from the participants in the lottery. One must also doubt the intention to complete the works at Harburg, as Billingsley did. Even if the intentions of the company were serious in this respect, one feels, that in common with the ideas behind the South Sea Company, trading schemes were subordinate to financial ones. Parallels with the York Buildings Company

---

68. *Daily Courant, 1 January, 15 October, 1 November, 1 December, 15 December 1722.*

lotteries were also strong as Case Billingsley was the promoter for both companies. One contemperary commentator complaining of the York Buildings Company's conduct in 1724 went as far as to suggest there was a strong link between the two organisations and stated that Parliament should investigate the York Buildings Company.[69] This demand was not implemented at that time.

The complexities of the Harburgh Lottery scheme, including facilities for loans upon partially paid tickets left tremendous scope for malpractice. The House of Commons was undoubtedly correct in quashing the lottery, but unfortunately it did not look closely at the company's stock transactions. As we have seen though, the committee was not wholly a disinterested body safeguarding the public interest. It contained two of the principal figures involved in the company in Eyles and Wager.. Therefore, it is possible that certain key areas were avoided during the enquiry. On the trading side, despite Barrington's optimistic forecasts, one feels that the ports of Bremen and Hamburg, and of course the Dutch, would have ensured the crushing of this upstart rival.

The whole plan behind the Harburgh Company was built on an entirely insecure foundation, both on the capital side and as a trading venture. Had the lottery been allowed to proceed, there seems little doubt that anyone who had invested in it would have found themselves possessors of stock in a worthless foreign company. By this time, the projectors would

69 A Letter from a Citizen to J--B--- Esq.; Member of Parliament, Relating to the York Buildings Company's Affairs.

have attempted to unload their own holdings on to the market, as happened in the case of the York Buildings Company and the English Copper Miners Company, in which Case Billingsley had also been involved. What would have happened to the lottery investors cash is a matter of pure speculation. Above all, one must ask how effective the 'Bubble Act' was in suppressing the Harburgh Company. Instead of simple legal proceedings under the act, a full scale parliamentary enquiry was required as the company was technically a foreign operation. Given the poor response by the public to the lottery, it appears to be a case of over-reaction. The most significant fact was that despite the act the scheme could be launched, and had the economic climate been more favourable, the speculators could have made a great deal of money before the project was terminated by the authorities.

CHAPTER 9.

ENTREPRENEURSHIP AND MANAGEMENT.

In previous chapters facets of entrepreneurship and management have been touched upon when dealing with the York Buildings Company's affairs in relation to its finances, industrial ventures, estates and its links with the Charitable Corporation. The aim of this chapter is to examine the managment structure of the company in relation to its strengths and weaknesses, to ascertain how the company was organised and where the exact sources of power lay. The composition of the court of assistants and the annual committee and their relationship with the ordinary stockholders was crucial and therefore will be examined in detail. The governor and his immediate circle were the apex of the whole structure and represent the one area where entrepreneurship was possible. Therefore, a critical appraisal of the conduct of each man who held the office of governor during the crucial period between 1720 and 1735 is necessary to show how the company was manipulated in the long term as well as how it was organised on a day-to-day basis.

Under the terms of its act of 1692, government of the York Buildings Company rested on the governor and a court of six assistants to be chosen by a general court on 29 September each year, or within three days following. Balloting was simple,

one vote being allowed for each share held. This system was completely altered by Billingsley and his syndicate when they took over the company in 1719. On 27 November 1719, a grand committee of thirty-one members, of which the governor and six assistants were always to be part, was appointed to take over the running of the company. The actions of this body were to be confirmed by the governor and assistants meeting on the first Thursday of every month, or oftener if it was felt this was necessary.[1] *Thus although it appeared that effective control of the company had been widened, the fact that the governor and assistants had to confirm decisions meant that ultimate control lay in the hands of a small group. This state of affairs lasted until 1 October 1726 when a general court voted to return to the original management structure of a governor and six assistants. The governor and two assistants, or three assistants were to constitute a quorum in the court of assistants, decisions being taken by a simple majority of those present, the governor or chairman having a casting vote in the event of a tie.*[2] *A committee of thirty-one was an unwieldy body and in fact the numbers in this body appear to have fluctuated from time to time*[3] *and by the autumn of 1726 it appears to have consisted of the governor and what was, in effect, a group of twelve assistants.*[4] *The decision to revert to the original format coincided with a major upheaval in management and was part of a major change in the direction of the company's activities.*

---

1 *RHC, Vol.1,pp.583-584*
2 *Ibid.p.584.*
3 *Ibid.*
4 *NLS Fletcher of Saltoun MSS 16534, Letter S. Horsey to Milton, 8 October 1726.*

The voting pattern at company meetings was also altered in the reorganisation of 1719. On 27 October 1719 a general court decided that £1,000 of stock should carry one vote, £4,000 two votes £7,000 three votes and £10,000 a maximum of four votes. The minimum holding was £200 and £10,000 was fixed as the maximum to be held by one person. This system was altered by decisions of general courts on 6 January and 3 February 1724 when a vote was allowed per £1,000 of stock held to a maximum of ten votes.[5] This corresponded to the maximum permitted holding of £10,000 stock by any one individual. As this decision was taken during Meres governorship, it seems likely that it was devised by his faction to tighten its grip on the company's affairs. Thus to get round the maximum holding, stockholders could have parcels of stock held for them by nominees whose votes they controlled. In this way, ballots of shareholders could be controlled by small groups which the idea of a maximum shareholding had been deliberately designed to avoid. The way in which such methods could be used to dominate meetings is most graphically demonstrated by an examination of the holdings of the board headed by Solomon Ashley during the period 1733 to 1735. According to company rules

5 PRO C11/1370/5, Holland v York Buildings Co., Complaint of Holland and others; RHC, Vol. 1.p.588.

they should have held a maximum of £70,000 of stock between them. In fact the board members and their nominees held £173,785[6] *and thus were in a position of fight off any challenge to their authority. When forced to justify his actions, Ashley claimed that such manoeuvres were the usual practice within the company.*[7] *As we shall see, it took major events and strong movements within the company to dislodge incumbent groups of directors.*

An examination of various legal pleadings, parliamentary papers and contemporary newspapers has revealed sixty-three names of men who were either governors, assistants or committee members of the company between 1719 and 1726 when the management structure was changed. Of these directors, twenty-two have been clearly identified as holding other directorships at one time or another, or to have been closely involved with other joint-stock companies and promotions.

Table 9:1 reveals several interesting trends. With the exception of Billers, who was later a trustee of the waterworks bond creditors,[8] *and of Thomas Pearse and Henry Neale, who do not appear to have been part of any of the controlling groups of the York Buildings Company, none of the directors were closely involved in the management of the major monied companies, the Bank of England, the South Sea Company and the East India Company. The most common link, apart from the Charitable Corporation, was with companies associated with Case Billingsley*

---

6 *Ibid.* *p.661.*

7 *The Case of Mr. Ashley*(1735).

8 *SL CSP F28;24, Delavalle & ors. v York Buildings Co., Case of Delavalle & ors.*

TABLE 9:1

OUTSIDE INTERESTS OF YORK BUILDINGS COMPANY DIRECTORS 1719-1726.

	Date of 1st Known Election	Other Known Interests
James Brydges 1st Duke of Chandos	1719	Royal Africa Co.
Sir Alex'r Cairnes	1720	Royal Exchange Ass.; English Copper Co.; Harburgh Co.
John Hardwar	1720	English Copper Co.
Case Billingsley	1720	English Copper Co; Royal Exchange Ass.; Harburgh Co; Welsh Copper Co; Royal Lustring Co.
William Lilly	1720	English Copper Co; Charitable Corp.
John London	1720	Royal Exchange Ass;Harburgh Co.
William Dale	1720	Charitable Corp.
Fiennes Harrison	1720	English Copper Co.; Harburgh Col.
George Jackson	1720	Royal Africa Co; Mine Adventurers of England; Royal Exchange Ass; Charitable Corp.
John Essington	1720	English Copper Co.
Christian Cole	1720	Royal Africa Co; Royal Exchange Ass.
Abraham Henckall	1721	Sword Blade Bank.
Joseph Gascoigne	1722	Charitable Corp.
Edward Richier	1722	Harburgh Co.
Sir John Meres	1723	Royal Africa Co.; Mines Royal & Mineral & Battery Works; Charitable Corp.
Sir William Billers	1723	East India Co;Sword Blade Bank
Thomas Pearse	1723	South Sea Co; Welsh Copper Co.
William Squire	1723	Charitable Corp.; Harburgh Co.
Sir Arch. Grant	1723	Charitable Corp.
Henry Neale	1723	Bank of England; Royal Africa Co; Mine Adventurers of England; London Assurance.
James Marye	1723	English Copper Co.
Samuel Horsey	1725	British Fishery.

SOURCES: PRO C11/1816/1 Westmoreland v York Bldgs Co; TI/258/13 Extracts of Minutes; Applebee's Original Weekly Journal; British Journal; Daily Courant; Daily Journal; Read's Weekly Journal; Cobbett's History of Parliament, Vol.8. col.64.

during the bubble era. Five men were directors of the Royal Exchange Assurance, six were involved with the English Copper Company in the early 1720s and a seventh man, Marye was a director in 1728. Thomas Pearse was the only other link with the Welsh Copper Company. Six men were connected with the Harburgh Company, yet another Billingsley project. Billers and Pearse provided a link with the Sword Blade Bank which, like the York Buildings Company had been involved in the purchase of forfeited estates in Ireland and in 1720 it had had somewhat dubious links with the South Sea Company.[9]

In the period 1726 to 1735, only twenty-six new men joined the direction of the company and three more held office before and after 1726 the latter group being Horsey, Marye and Squire. Of the new men only three, William Corbett, Francis Townley and Solomon Ashley had outside interests, all being directors of the Royal Africa Company.[10] *Thus one can say that, in general, the directors of the York Buildings Company were not drawn from the business elite although some clearly came from the landed aristocracy and the gentry.*

The aristocracy provided the first two governors of the company in the period following the reorganisation of 1719. Nothing is known of the period when the office was held by the 1st Duke of Chandos other than the fact that he gave way to Thomas Fame, 6th Earl of Westmoreland around January or February

---

9 Scotts, Constitution and Finance, Vol.3.pp.435-442.

10 British Journal; Daily Courant; Daily Post; Daily Journal; Gentleman's Magazine, passim.

1720.[11] *Thus it was Westmoreland who was at the head of the company during the crucial period of 1720. At this time, though effective control seems to have rested with Billingsley and his syndicate and Westmoreland was more of a figurehead manipulated by the group for its own purposes. Such a state of affairs was common in many companies where aristrocratic governors were chosen for their social prestige which was designed to enhance the prestige of the company. King George I, for example, became governor of the South Sea Company and Prince Frederick governor of the Harburgh Company.*[12] *Neither acted in an executive capacity. Although Westmoreland took a more active part in the York Buildings Company's affairs he was far from being executive head of the organisation, a position clearly enjoyed by his successors , Sir John Meres and Col. Samuel Horsey. One of the leading figures of the group controlling the company which was involved in stock manipulation in 1721,*[13] *was John Cockburn of Ormiston who took over as governor for a spell after 3 December 1720 when Westmoreland was ill.*[14] *Relations between Westmoreland and his fellow directors appear to have been extremely strained as a result of stock manipulations by Antony Steventon., Westmoreland's agent, which ran contrary to the interest of the group.*[15] *This latter fact was clearly an indication that Westmoreland was willing to engage in such activities when they suited his own interests.*

---

11 PRO C11/1816/1, Westmoreland v York Bldgs. Co.; Flying Post, 6-9 February 1720.
12 Vide supra, p.479; Carswell, Bubble, p.74.
13 HCJ, Vol.22.pp.172-173.
14 Applebee's Original Weekly Journal, 3 December 1720.
15 HCJ, Vol.22,p.173.

Tension between Westmoreland and his colleagues appeared to be the pattern of relations until Westmoreland's resignation from office in 1723.[16]

Several incidents towards the end of Westmoreland's term of office serve to highlight the tensions within the company, not only among the directors but with the stockholders as well. At a meeting of the general court on 3 April 1723, a debate lasting more than two hours was conducted over the governor's powers to appoint a deputy in his absence. Nothing was settled, and the whole matter was referred to a further meeting to discuss the affair at length![17] *Some members at least were unhappy at the way things were being run. On the other hand at the same meeting, accounts were passed around at which,*

> *"the generality appeared extremely well satisfied and owned their affairs were in a much better state than they apprehended."*[18]

A motion was then proposed thanking the governor for his care in looking after the company's affairs and for presenting the accounts to members. The motion was waived by Westmoreland, possibly because the accounts were an embarrassment to him. Certainly some members were unhappy as in the early months of 1723, a committee of inspection was formed to look into the company's affairs.[19] *This gave rise to yet another bout of in-fighting among the directors.*

---

16 PRO T1/258/13, Extracts from Minutes.
17 Weekly Journal or British Gazetteer, 6 April 1723.
18 Ibid.
19 HCJ, Vol.22,p.172; Weekly Journal or Saturday's Post, 29 June 1723; Daily Courant, 5 July 1723.

On Wednesday 26 June 1723, a general court met at 11.a.m. and sat until after 6.p.m. During this time many of the grievances of the company were aired, and disputes arose between the directors and the committee of inspection. One of the committee, Thomas Engier, who had recently been selected a director, was accused by Cockburn and Richard West, another director, of approaching West and saying he would accept a bribe of 2,000 guineas to suppress the report of the committee of inspection. Engier was summoned to appear at the next general court and give his answer to the charges. Engier appeared at a general court on 3 July and tried to defend himself by saying Cockburn, West and Burgess, the cashier, were in collusion to the detriment of the company, and had a vested interest in his removal from the organisation.[20] *He spent several hours trying to justify his case but to no avail. The general court voted to expel him and vindicated Cockburn, West and Burgess.*[21] *Later events were to show that Engier was partly justified in his accusations, when Burgess told the Commons committee investigating the company in 1733 of clandestine stockdealings involving Cockburn and West.*[22]

The following month witnessed a major upheaval. Westmoreland relinquished his governorship on 7 August 1723. In his resignation speech he recommended sounder management by reducing the number of clerks and cutting the company's extravagent expenditure.[23] *Following that, his good wishes for the company seemed rather*

---

20 *Ibid.*
21 *Evening Post, 4-6 July 1723.*
22 *HCJ, Vol.22,p.173.*
23 *British Journal, 10 August 1723.*

hollow. Westmoreland, though, had grounds for his criticisms. The company had had to move offices to accommodate its growing size. The new owners had set up an office in Mercers Hall in 1719 but during the expansion of the bubble era had moved to Throgmorton Street near the Royal Exchange.[24] *In June 1722 they took over a house of their own in Winchester Street near London Wall.*[25] *For a company facing the difficulties experienced by the York Buildings Company such expansion linked with the desire to eliminate its problems by speculative ventures only served to exacerbate the situation.*

Westmoreland's resignation followed on so quickly from the Engier affair as to suggest a link and suggests the scandal involved was too much for Westmoreland even to continue until the annual elections at the end of September when he could more easily have stepped down. This idea is given further credence when one examines the events surrounding the selection of his successor. The Daily Journal was clearly of the opinion that William Yonge M.P., who had recently become a director when casual vacancies were being filled,[26] *would be elected governor.*[27] *Yonge would have been an ideal choice as it has been stated of him that*

> *"without having done anything ... particularly profligate - anything out of the common track of a ductile courtier and a parliamentary tool - his name was proverbially used to express everything pitiful, corrupt and contemptible."* [28]

---

24 London Gazette, 8-12 March 1720.
25 Daily Courant, 9 June 1722.
26 British Journal, 3 August 1723.
27 Daily Journal, 8 and 20 August 1723.
28 Sedgewick, Commons, Vol. 2, p.567.

At a general court on 20 August, Yonge declined the honour, claiming that business affairs called him to the country but recommending, with the smooth tongued elequence for which he was noted, that Mr. Robert Fotherly should be chosen instead.[29] Fotherly was also reluctant to take up the office, asking for some time to think things over before actually taking the oath.[30] He appears to have been sworn in as governor some time in early September[31] but resigned at a meeting on 17 September, recommending that Sir John Meres be elected in his place, a motion unanimously accepted by those at the general court.[32] Clearly the company was in a turmoil and the scandal created by the Engier affair had seriously affected the management of the organisation. All of the principals in the incident had come out badly. Engier, as we have seen, had been removed from the direction. West and Cockburn were not among those chosen as directors when the annual elections were held on 2 October 1723.[33] Burgess, the cashier vacated his post on 25 December 1724.[34]

The election of Sir John Meres brought with it a change in management. Detailed consideration of many of Meres' activities has already been made in relation to the company's wider activities and so discussion here will be limited to its effects in the management and control of the company. Little

29 London Journal, 24 August 1723; Weekly Journal or Saturday's Post, 24 August 1723; Sedgewick, Commons, Vol.2.p.567.
30 British Journal, 24 August 1723.
31 Weekly Journal or Saturday's Post, 14 September 1723.
32 Daily Post, 18 September 1723.
33 PRO T1/258/13, Extracts from Minutes.
34 SRO GD345/576/10, Grant of Monymusk MSS, James Marye's Reasons; RHC, Vol.1.p.585.

is known of Meres other than the fact that he was a wealthy Leicestershire man with an estate at Kirkby Billers. He was one of the six clerks of Chancery and had been knighted in 1700. A man of unusual habits, it was claimed that he often turned night into day by sleeping during the latter and staying up during the former. It was even said that he sometimes hunted by night.[35] *During most of the time in which he held his office, he assumed the clear leadership of the faction in control of the company's affairs, unlike Westmoreland who seems to have been manipulated by his colleagues. Meres' role in this respect can clearly be seen in such activities as stock manipulations resulting from the sale of revived half stock in 1723 and the subsequent halving of it again the following year. His involvement in the affair of the derelict lands in Cheshire when he may have tried to back out when the affair went wrong is not quite so clear. He was, however, the main inspiration behind the plan to bring about the merger with the Charitable Corporation. Meres proved determined to push this scheme through despite all opposition and he was later accused of browbeating opponents, fixing meetings and altering minutes to achieve this end. Only the declaration of the Solicitor-General that the scheme, as well as being potentially disastrous, was illegal, could bring Meres to abandon it.*

---

35 PRO C11/372/102, Meres v Wood; Murray, York Buildings, pp53, 80.

After he had left the office of governor in 1726, the company accused Meres of abusing his position and perpetrating many frauds upon the company. In addition to those mentioned above, he was accused of collusion with Robert Hackett in making an agreement concerning the glass works at Morison's Haven that were clearly to the detriment of the company and also of carrying out dubious dealings in company bonds.[36] *It was, however, difficult to sustain such charges during Meres' tenure of office. Du Bois has argued that company directors had "ways and means of dominating the general courts".*[37] *In Meres' case we have seen how this could be done in relation to the Charitable Corporation affair. Such methods though could also be used to stifle opposition and criticisms of actions such as those between Hackett and Meres. One such case can be clearly seen in 1725 in an incident involving a director, James Marye.*

Marye had been elected a director in 1724 and had become a member of the committee of accounts. He found the books to be in a state of confusion. In particular, one of Burgess' cash books, covering the period April to September 1724, showed the company to have been badly affected by the bond dealings of 1724 and that bonds to the value of £15,000 to £20,000 had been bought on the company's account and no discount charged at a time when such paper was sold at a considerable discount in

---

36 *PRO T1/258/13, Extracts.*
37 *Du Bois, English Business Company, p.300.*

Exchange Alley. Marye also said the books showed some bonds had been paid twice. For those reasons, at a court of assistants on 17 November 1725, Marye refused to pass the accounts.[38]

The directors had obviously been anticipating such a move by Marye and a resolution, which Marye claimed was produced already written by a director, was passed saying directors could only examine the books in the presence of another director and the officials responsible for keeping them.[39] The other directors moved quickly and decisively against Marye. On 29 November, the court of assistants called upon Marye to appear before it to substantiate his allegations. He refused, and on 15 December that body declared that Marye's allegations were scandalous and unfounded. Benjamin Burroughs, who had been present at a general court on 3 December when the matter was discussed, later said that if a motion to expel Marye had been put, it would have been carried. However, the court of assistants heard on 15 December that Marye had been disqualified from office, presumably on the grounds that he had sold the stock required to qualify him for his position. A further general court on 24 December outlined the company's case for the reputation of Marye's allegations and after that the affair died down.[40] In this case, clearly, the power of the directors to isolate and crash a solitary voice in opposition was again apparent.

---

38 *SRO GD 345/576/10, Grant of Monymusk MSS, James Marye's Reasons.*
39 *Ibid.*
40 *EU Laing MSS 11.693, State of Process York Bldgs Co. v Meres.*

As in the Engier affair, the directors did not enjoy their triumph for long. In 1726, another committee of inspection was set up to examine the company's affairs.[41] *At the elections on 1 October 1726 a new management team was chosen and with it, once again, new ideas were combined with old methods to change the structure and direction of the company. As we have already seen, it was at this meeting that the decision was taken to abolish the committee and revert to the original idea of management by a governor and six assistants. This made it much easier for a small group to control the affairs of the company particularly as decisions in the court of assistants could be arrived at by a quorum of the governor and two assistants or three assistants. According to Du Bois, it was usual for the directors of companies to prepare the agenda for company meetings and only exceptionally would independent motions be made from the floor.*[42] *The ease with which Horsey and his associates carried many of their schemes before the crisis of the 1730s suggests this happened within the York Buildings Company. Thus a reduction in the size of the board of directors made it more easy for a very small group to control its affairs. Ironically the new board included James Marye among its number,*[43] *an indication that, on reflection, members had seen the justice of his case.*

---

41 *Case of Samuel Horsey (1733)*

42 *PRO C12/1370/5, Holland v York Bldgs Co. Complaint of Holland & ors, RHC. Vol.1.p.584, Du Bois, English Business Company, p.301.*

43 *British Journal, 8 October 1726.*

The new governor, Col. Samuel Horsey was a former soldier, serving in both the foot and horse guards from 1701 to 1722. In April 1722 he had resigned his post as Lieutenant-Colonel in the 4th Troop of Horse Guards with a view to becoming governor of South Carolina, then under the control of a proprietory government.[44] *The first steps in this direction were taken on 12 February 1726 when the "Lords Proprietor of the Province of Carolina" put forward Horsey's nomination to the Privy Council.*[45] *It was to be many years before Horsey's dream was realised and in the meantime he concentrated on trying to salvage the York Buildings Company. Horsey was no stranger to speculative business, having been called before a Commons committee examining speculative ventures in 1720, as a person concerned in the management of a venture known as the British Fishery.*[46] *Horsey had entered the management of the York Buildings Company in 1725 and had served on the committee of inspection set up in 1726 in the aftermath of the Marye affair.*[47] *As Horsey was in Scotland*[48] *on company business until March 1726, the committee must have been established in the spring or early summer of that year. The company later claimed that Horsey procured his office*[49] *although he vigorously denied such a notion, declaring he had been unanimously elected.*[50]

Horsey's approach to the management of the company was certainly the most positive of all the governors in the period

---

44 *PRO SP 36/2/5, Petn. of Horsey to the King; PRO C05/303/384, Case of Horsey.*
45 *PRO C05/290/170, Nomination of Col.Horsey.*
46 *HCJ, Vol.19.p.343.*
47 *Case of Samuel Horsey(1733).*
48 *NLS Fletcher of Saltoun MSS.16534, Letter S. Horsey to Lord Milton 29 March 1726.*
49 *PRO C11/114/19, York Bldgs Co. v Horsey, Complaint of Co.*
50 *Ibid. Answer of Horsey.*

1719-1735 and in some senses he could be classed as an entrepreneur. Whereas Westmoreland appeared to be more of a figurehead and Meres concerned more in financial dealings to manipulate the stock, Horsey's declared aim was to put the company back on an even keel. He was also more aware of the company's affairs in their widest sense having visited Scotland before his election as governor and thus having first hand knowledge of the situation north of the border. Thus his desire to sell the estates could well have come from motives other than a desire to please Lord Milton and his patron Lord Ilay who could have proved a strong ally in his quest for the governorship of South Carolina. In a letter to Milton, Horsey declared that the money that could be obtained from the estates would be of more use to the company than the land itself. Uncertainty of return could be replaced by a guaranteed income,[51] presumably if the money was used wisely. The idea was sound but, as we have seen could not be passed into effect because of legal difficulties.

In the early days of his tenure of office, two further actions by Horsey demonstrated his determination to put the company in a more solid footing. Firstly he persuaded Abraham Meure, one of the leading spokesmen for the annuitants to become an assistant. In this way he felt that one source of irritation to the company would be dispelled if the annuitants were privy to the innermost deliberations of the company.

---

51 NLS Fletcher of Saltoun MSS 16534, Letter S. Horsey to Lord Milton, 8 October 1726.

Meure and Antony Steventon were among the leading figures who had entered into an agreement with the company on 26 August 1725 to ensure payment of any sums due to them by means of a security on the estates. Steventon, was, we have already seen, had caused the company a great deal of trouble acting as agent for the Earl of Westmoreland.[52] *By incorporating Meure into the management of the company, Horsey shrewdly tried to break up what could have become a powerful and vociferous opposition. Secondly, he wrote to Sir Robert Walpole on behalf of the entire board telling him of the steps being taken to settle the company's debt to the government and assuring him that they intended to eschew all stock jobbing schemes. Horsey followed this up with a visit to Walpole assuring him that he would be kept informed of the moves with regard to the company's estates. The meeting appears to have been extremely cordial.*[53] *It is possible that two decisions, important for the company's future, came about as a result of these actions. Meure was in a strong position to influence the decision to grant the security of the estates to the annuitants. Walpole was in a position to give favourable advice on the granting of the charter giving the company its powers to enter the timber trade.*

The decision to enter the timber trade can be seen as the first major error of Horsey's tenure of office and a highly

---

52 *Ibid; C 12/1370/5, Holland v York Bldgs. Co. Complaint of Holland; vide supta. p.*510.

53 *NLS Fletcher of Saltoun MSS 16534, Letter S. Horsey to Lord Milton, 22 October, 1726.*

speculative piece of entrepreneurship. The idea behind the scheme was of doubtful value i.e. that the revenues of the Scottish estates could more readily and profitably be brought to London if they were employed in the timber trade and the timber sold in London.[54] *As we have seen geographical and practical difficulties, combined with indifferent management at Abernethy combined to make the operation yet another drain in the company's diminishing resources. The decision by Horsey to encourage the scheme must mean that the lion's share of the blame for its failure be attributed to him. He must also bear a considerable share of the blame for the disastrous affair of the mines at Strontian against the advice of Francis Place, the company's mining expert, he insisted on taking a lease of the mines at a rental greater than their actual value. The implications of this venture both from the company's point of view and that of the Charitable Corporation, have already been discussed. Whether Horsey acted out of ignorance or was in collusion with Sir Archibald Grant and his partners cannot be determined. Either way, Horsey's decisions were again disastrous for the company and added to its growing difficulties. It could not be said in his defence that Horsey was merely acting on information received from advisers in Scotland while he and his colleagues took the decisions in London. During the time in which he was governor Horsey made frequent trips to Scotland and visited the*

54 *Case of Samuel Horsey(1733)*

sites themselves.[55] *Indeed in 1732 he was arrested in Scotland on the instructions of Sir James Grant of Grant and only released when debts due to Grant by the company were paid.*[56] *Horsey should, therefore, have been aware of the potential hazards of the industrial ventures but he appears to have been blind to them.*

Despite his claims that the company had abandoned its schemes to encourage stockjobbing, the company was forced into stock dealings during Horsey's management. It was felt necessary to re-issue dead stock to finance the industrial ventures. Consequently, on 26 November 1727, £200,000 of stock was revived and on 27 March 1728, a further £300,000 was added to this sum. It was later claimed the latter increase was not properly authorised. Horsey claimed that the complications of borrowing money in this stock and the generally poor state of the company's credit meant that the directors had to take great parcels of stock themselves. Horsey further declared that this stock lay in the hands of those to whom it had been pledged for loans, or in the hands of directors and that no part of it had been disposed of in the market.[57] *In view of the fact that after 1729 the Charitable Corporation syndicate was able to lay its hands on large parcels of stock, Horsey's arguments cannot really be sustained. It can be seen that decisions taken by him or on his advice, left the way open for the Charitable*

55 *Ibid.*
56 *RHC, Vol.1.p.*
57 *Case of Samuel Horsey(1733)*

Corporation syndicate to indulge in their speculative frenzy. Grant and his associate certainly seemed to have the measure of Col. Horsey.

Another mistake made by Horsey was that in his eagerness to save the company, he gathered too much power into his own hands. Thus ultimately gave his enemies a great deal to hold against him when his stewardship was called into question. In particular there was the power to grant leases of the company's estates granted in 1727[58] *and in 1730, the power to raise money on the company's behalf.*[59] *Under the former he was accused of granting a lease of the Kilsyth estate at less than its proper rental.*[60] *Under the latter he was accused of being involved with the stockbroker Abraham Munoz in a bond fraud.*[61]

A further mistake made by Horsey and his associates was their determination to make Sir John Meres account for what they saw as his frauds. Accordingly they laid a complaint before the Treasury outlining what they saw as Meres malefactions.[62] *In furtherance of this they stopped payment upon his annuities and interest on his bonds.*[63] *The company was eventually forced to back down and pay Meres as they had no legitimate reason to stop the just debts due to him. On 17 February 1732, Horsey wrote to Lord Milton acknowledging the error that had been made and stating that all further action against Meres had been stopped because of the uncertainty of proving anything in*

---

58 SRO CS 228/Y1/38, York Bldgs Co. v Carnegie, Minute 19 July 1727.
59 Case of Samuel Horsey, (1733)
60 HCJ, Vol.22., p.183.
61 PRO C11/114/19, York Bldgs Co. v Horsey, Complaint of Co.
62 PRO T1/25/13, Complaint of Co and Extracts from Minutes.
63 HLRO Appeal Cases, York Bldgs Co. v Meres 28 May 1728.

the courts, the only certainty being further expense to the company.[64] *The legal pursuit of Meres was to prove a useful precedent in pursuing Horsey himself after his removal from office.*[65]

The growing severity of the company's financial plight, the deterioration of the industrial ventures and the revelations of the first Charitable Corporation report placed Horsey's management under severe pressure. On 6 July 1732, a general court ordered that the company seal be locked up, and the directors give a signed statement of account countersigned by three trustees.[66] *On 24 August 1732, a meeting of the general court was held to gain approval for a scheme to solve the company's problems by means of a £5 per cent call and a bond issue. Instead a motion was made to appoint yet another committee of inspection.*[67] *This measure was rejected on a show of hands which was confirmed by a ballot on 30 and 31 August.*[68] *The day of reckoning for Horsey and his associates was only delayed as a committee of inspection was finally appointed on 15 November 1732.*[69]

The months which followed witnessed serious disruptions between the committee of inspection and the court of assistants, far more serious than those of 1723. A general court decided on 22 December 1732 that the court of assistants had to summon a general court of the committee of inspection so desired.

---

64 *NLS Fletcher of Saltoun MSS 16550, Letter S. Horsey to Lord Milton 17 February 1732.*
65 *PRO C11/114/19, York Bldgs Co. v Horsey, Complaint of Co.*
66 *Read's Weekly Journal, 8 July 1732.*
67 *London Gazette, 22-26 August 1732; Gentleman's Magazine, Vol.2. August 1732,p.927; Daily Courant, 25 August 1732.*
68 *Read's Weekly Journal, 2 September 1732.*
69 *Ibid.18 November 1732.*

Accordingly on 30 December, the committee instructed the court of assistants to call a general court on 4 January 1733. The court of assistants refused and the committee, therefore, called a meeting of proprietors in the Swan Tavern, Cornhill, on 5 January 1733.[70] *At this meeting, those present backed the committee. Anyone with legitimate claims on the company was to place them before the committee. The most significant decision, however, was to press for a petition to be placed before parliament for an investigation into the company's affairs.*[71] *This latter decision was confirmed by a general court on 12 January following a ballot.*[72]

In an open letter to the proprietors, the directors tried to justify their conduct stating they were not against a petition to parliament. Indeed they said such a move could be sensible at this juncture. What the directors claimed was necessary, though, was some reflection before such a decision was finally taken. The directors denied allegations of embezzlement and said the difficulties were caused by creditors exacting over-large securities and illegal rates of interest. The whole situation had been caused, they claimed, by a small group of defaulters on the recent call of one and a half per cent who were seeking to advance their own interest.[73] *This was a direct reference to a faction led by Solomon Ashley which was to take over the running of the company later the same year.*

---

70 *Daily Journal*, 4 January 1733.
71 *Ibid.*, 6 January 1733; *Daily Courant*, 10 January 1733.
72 *Gentleman's Magazine*, Vol.3. January 1733, p.43; *Daily Journal*, 13 January 1733.
73 *Daily Post*, 17 January 1733.

The Commons Committee appointed as a result of the petition presented two reports on 9 May[74] and 6 June 1733.[75] Much of the evidence given to the committee has been cited in the course of our examination of the company's affairs. The committee found much to comment upon in relation to the mismanagement of the company by succeeding groups of directors. The lack of proper books was emphasised, it being said the company could not ascertain its exact debts because of this omission. The company, it was declared, looked upon Horsey as its chief debtor,[76] but cited only two instances where Horsey could have been construed to have carried out direct frauds against the company. There were payments of £2,400 and £1,000 passed through the books as gratuities in connection with the various schemes in Scotland, but the former was found to be a deficiency in selling stock revived at a rate below that stipulated by the company.[77] The latter Horsey claimed was money he had laid out on the Company's behalf. Factors such as the industrial ventures could be shown to be the result of negligence and mismanagement, but it was more difficult to prove outright fraud.

The company chose to use the two articles of fraud as the basis for getting rid of Horsey and his son Jerome, who had been an assistant from around 1730.[78] The committee of inspection called a general court for 19 June 1733, but the directors

---

74 *RHC, Vol.1.pp.583-589.*
75 *HCJ, Vol.22,pp. 172-198.*
76 *RHC, Vol.1.p.587.*
77 *Ibid., p.586.*
78 *Daily Journal, 3 October 1730.*

questioned its legality and called their own meeting for 26 June.[79] At the meeting on 19 June it was unanimously agreed to adjourn proceedings until 26 June, when Col. Horsey and his son Jerome were to be called upon to account for

> "the several frauds, mismanagements, breaches of trust, and neglect of duty laid to their charge respectively."[80]

The parliamentary report had clearly indicated that something had to be done, and thus Horsey and his son were singled out for sacrifice.

On three counts, those involving the sums of £2,400, £1,000 and the illegal revival of £201,430 of stock, the Horseys were found to be in breach of trust, expelled from the company and declared incapable of holding office again. The other directors escaped very lightly. They were accused merely of neglect of duty. The meeting seemed satisfied with their explanations and allowed them to disqualify themselves from office by transferring their stock to whomsoever they thought fit. It was resolved that the transfer books be opened immediately to allow them to do so. This was complied with and the books were immediately reclosed. The general court proceeded to choose a new governor and assistants. The former office was conferred upon Solomon Ashley and the latter posts filled by George Abell, Gilbert de Flienes, Richard Fowler, William Jackson and John Neale.[81] It was

---

79 Daily Courant, 19 June 1733.
80 Daily Journal, 20 June, 1733.
81 Ibid., 30 June 1733.

also decided to prosecute the Horseys on account of their alledged malpractices.[82]

The company proceeded against the Horseys with great vigour. Jerome Horsey was sued for £5,000 but his debt was finally agreed at £1,600.[83] On 21 May 1734, the company had Samuel Horsey confined in the Fleet prison in pursuance of a suit for £50,000 which the company claimed was owed to it by Horsey. Philip Carteret Webb, the company's solicitor, later claimed this was in clear breach of an agreement reached with Horsey to leave him alone if he did not hinder measures then before parliament to grant relief to the company.[84] Horsey closely contested the claims made against him in the courts.[85] Murray claims that judgement was obtained against Horsey and as he was unable to pay he was imprisoned and died in jail in 1740.[86] Other evidence suggests that fate was slightly kinder to Horsey. He still appeared to hold out hopes of achieving his governorship of South Carolina. Writing to his daughter on 23 October 1736, Horsey's old associate, Aaron Hill, hinted that Horsey might be disappointed.[87] At long last he achieved the position and hissappointment was announced in the newspapers.[88] He did not live to take up the appointment and he died suddenly at Whitehall on 18 August 1738.[89]. This sequence of events is more in accordance with the view expressed by Aaron Hill two years later, and in fact

---

82 Daily Courant, 27 June 1733.
83 RHC, Vol.1.p.695.
84 Ibid. p.694.
85 PRO C11/114/19, York Bldgs Co. v Horsey, Answer of Horsey.
86 Murray, York Buildings, p.83.
87 Aaron Hill, Works,(1753), Vol.2.p.61.
88 Gentleman's Magazine, Vol.8, February, 1738,p.109.
89 Ibid., August 1738, p.436.

quoted by Murray himself that

> *"After twenty years of unwearied pursuit of one flattering and favourable prospect ... he had not sooner possessed it as the fruit of his indefatigable patience, and with a length of inconceivable mortifications than he DIED ... as it were in stretching out his hand to receive it".* 90

It seems inconceivable that someone in a debtors prison should be appointed governor of what was now a crown colony. A more likely explanation is that Horsey had powerful frinds who secured his release from prison and his governorship of South Carolina to rid themselves of an embarrassment.

The group which took over the management of the company from Horsey and his associates proved to be no better than their predecessors and in some ways could be adjudged to be worse. Despite the disclosures of the parliamentary enquiry, Ashley and his associates embarked on new measures aimed at defrauding the creditors and stockholders alike. The faction controlling the company, however, was much more widely based than those of either Meres or Horsey. Whereas the latter groups had tended to work mainly within the directorate, Ashley's syndicate involved many more people. Thus, before a general court met, it was the practice for Ashley and his fellow directors to meet with proprietors who shared their interest, in one of the city taverns, in order to draw up the resolutions to be

---

90. Aaron Hill, Works, Vol.2.p.67

presented at the ensuing general meeting. Some of those present included those proprietors who secretly held stock on behalf of the directors which was designed to avoid the restrictions as to the maximum shareholding permitted to an individual. A flurry of activity in the stock market in the early months of 1734 was contrived by the directors to ensure they controlled sufficient votes to push through their fraudulent scheme for the issue of new bonds.[91] *Thus in 1735, parliament was once more called in to investigate the company's affairs and indeed nullified the board's decisions with regard to bonds and stock.*[92] *The attempt to defraud the company was so inept that one of Ashley's parliamentary colleagues was heard to remark that he did not know if Ashley was a rogue or a fool.*[93] *One suspects Ashley was a combination of the two. Again in 1735, internal upheavals led to a change of management as Ashley and his associates departed leaving the company in the hands of Thomas Pembroke, a lawyer. There is no reason to believe he was any more honest or capable than his predecessors but he had less scope for fraud as the company was effectively bankrupt. However, in the 1740s he did make some money by selling new leases for personal gain. Murray states that, like Horsey, he died in jail. No evidence has been found to refute or justify this claim.*

Any examination of the management of the York Buildings Company must take into account the role of the stockholders.

---

91 <u>RHC</u>, Vol.1.pp.659-660.
92 For a full discussion of this affair, <u>vide supra</u>. pp102-105.
93 Sedgewick, <u>Commons</u>, Vol.1.p.423

As with modern corporations, the stockholders tended to leave the company in the hands of the directors as long as they felt things were progressing to their advantage. To try to keep the stockholders quiet, successive governors made platitudinous statements at successive general courts. As we have seen, however, stockholders did revolt and ousted successive management teams when news of malpractices came to the public's attention. Often these came about when board room arguments spilled over into general courts as in the Engier and Marye affairs. Both of these men failed to carry the general court with them as the other directors were able to use their combined power to control the meetings, and have the allegations against them refuted. In the long term, though, the stockholders decided that in each of these cases they had had enough of the management groups concerned and voted them out at the first opportunity. Such squabbles enabled new groups to gain a power base among stockholders in the interim and take over at the next opportunity. In the case of Horsey's group, it was outside factors which led to massive manipulation of stock and a parliamentary as opposed to a purely internal inquiry which finally led stockholders to rectify a situation which had been deteriorating for years but which had been concealed by the rise in prices brought about by the machinations of the Charitable Corporation syndicate. Thus the stockholders

who stood to gain by the rise, chose to ignore other signs until the tide turned against them.

The Commons committee of 1733 was particularly scathing in condemnation of the stockholders and declared

> *"much of the present bad condition of the company is owing to the general courts themselves: this is visible in going through the minutes of these courts where there constantly appears a predominant regard to a present and imaginary value of their stock, and very little care of what should be the future and real worth of it."* [94]

The committee concluded that a partiality to dividends and projects and a strong aversion to calls had led stockholders to adopt any expedient proposed by the directors. As a result of this, the committee concluded much of their debt was of their own making and yet the stockholders had only contributed around one-quarter of the sum for which they had originally contracted.[95] *Clearly little sympathy was felt was forthcoming for the stockholders.*

The role of the company's employees who were responsible for the day-to-day running of the company was also important. Although in theory their first duty was to serve the interests of the stockholders, in practice this was not the case. These gentlemen were naturally anxious to protect their jobs and proved only too willing to fall

---

94 *HCJ, Vol.22.p.188.*
95 *Ibid.*

into line with the directors who were undoubtedly far more powerful than themselves. Sir John Meres was well aware of this when he objected to witnesses such as Humphery Bishop, the cashier, giving evidence in the process against him on these very grounds.[96] *The lack of proper accounting methods and the complex nature of the company's activities left ample room for the employees, s well as the directors, to turn things to their own advantage. John Billingsley, for example, owed the company £27,727 from his period as cashier, which was never recovered.*[97] *His successor, Ebenezer Burgess, also had problems balancing his books. On 6 February 1723 he, together with his assistant Humphrey Bishop, were excused from other duties for fourteen days to make up a proper cash account but this was not done. The cash account was still not settled when Burgess left his post at the end of 1724 and his affairs with the company were not settled until 19 June 1728. Stephen Monteage appointed accountant on 16 February 1721, fared rather better. Although he was unable to do his job properly because of lack of information and relevant materials, he had the foresight to complain in writing to the directors and ask for their assistance in making up a general ledger. This was confirmed by the parliamentary committee of 1733. Also Richard Birch the trade accountant whose job was to control the Scottish ventures was never given*

---

96 *EU Laing MSS 11 693. State of Process.*
97 *RHC, Vol.1.p.580.*

proper accounts or information by Horsey or the Scottish agents. This was partly due to negligence and partly due to fraud designed to benefit the directors and agents. The only books which were accurately kept, according to Monteage were the stock ledger and the account of the calls.[98]

The company's agents in Scotland were not technically employees in the sense of the secretary, cashier or the clerks, but they too had access to the company's assets, in this case the estates and their rentals and they too were reputed to have made a great deal of money at the company's expense.[99] *The problems faced in gathering rents in cash and in kind and in remitting money to London gave the agents ample scope to make a great deal of money for themselves.*

All of these factors led the Commons committee of 1733 to state that the directors alone were not responsible for the great sum of money which could not be accounted for.[100] *The committee did not place a figure on the deficiency but the stockholders claimed anything up to £423,382 had gone astray in one way or another.*[101]

Another major factor which ought to be considered when looking at the management of the York Buildings Company is the role of Sir Archibald Grant of Monymusk. Murray states

> *"if he was not the evil genius of the company, he was certainly mixed up in several circumstances which proved disastrous to it."* [102]

---

98 *Ibid. p.585.*
99 *Letter from a Gentleman.*
100 *HCJ, Vol.22.p.188.*
101 *Case of Proprietors of Stock(1733)*
102 *Murray, York Buildings, p.47.*

Here, one feels, Murray is almost guilty of understatement. Grant was involved in virtually every aspect of the company's business and the wealth of documents relating to the company in the Grant of Monymusk papers is ample evidence of his close concern with the company. He was a stockholder and a director, landlord of the company at Strontian and their tenant on the estates in north east Scotland. He manipulated the company extensively both by way of speculation in its stock as an individual and with his Charitalbe Corporation associates, and by being part of the group who persuaded Horsey to lease the mines at Strontian for an exhorbitant rent. Ultimately through his brother he came to operate the mines themselves. His brothers, brothers-in-law and uncle were also involved as agents of the company on the estates and as a family group they were responsible for operating the company's estate at Winton in East Lothian, developing the glassworks there in partnership with the company and ultimately leasing the estate. He was also concerned in the timber scheme having an obligation to carry timber for the company and may well have had a hand in devising the scheme as it was on the estate of a distant relative. Wherever the company operated, therefore, Grant or his influence was almost certain to be found, and many of the schemes would appear to have been designed for his personal gain. It would be fair to say, therefore, that Murray's idea of him

as the 'evil genius' of the company is justifiable on many counts. He was more careful with regard to the York Buildings Company than he was with the Charitable Corporation and no awkward questions concerning his role within the company were raised during either of the Commons enquiries other than questions of fact such as the lease of the north-east estates. However, Grant, as much as any of the directors including Meres, Horsey and Ashley, was responsible for the desparate state in which the York Buildings Company found itself.

On a wider front, the example of the York Buildings Company can be clearly cited as a classic case of corporate mismanagement. The company could not break itself clear of its speculative origins. After 1720, it proved impossible to control its affairs at a distance and with the exception of Col. Horsey, Grant and Cockburn, few of those involved in the direction of the company understood or cared about the Scottish end of the operation other than as the basis from which they could speculate in the company's stock based on future promises of wealth. Their concern for individual profit rather than the common good, blinded directors and stockholders alike to the fact that the ultimate well-being of them all rested in the latter. Each group which managed to gain control of the company's affairs became subject to pressures from others within the organisation itself and must

have made it seem desirable to the directors to make a financial killing by manipulating events while they had the power to do so. Thus by fraudulent drawbacks, the dividends and by paying themselves large annual salaries, the governors, assistants and agents all made considerable sums at the expense of the company.[103]

Although it is easy to condemn the management of the York Buildings out of hand, one must emphasise the fact that there were problems arising from the size and nature of the organisation which would have raised difficulties even in a management infinitely more efficient than that in charge of the York Buildings Company's affairs. The range and diversity of the company's activities threw up a variety of problems requiring a wide degree of expertise. During the period 1720-1740, the company was involved in a water-works, the annuity business, landed estates, coal mines, saltworks, timber operations, iron works and glass production as well as dealing in shipping and general problems of dealing in these commodities. Each of these sectors required expert local management at the point of production as well as a strong and efficient management at the London head office to co-ordinate activities. Such control was not forthcoming at either local or national level, not only because there was a natural tendency to put relations and place men into posts regardless of

103. PRO C12/1270/5, Holland v York Bldgs. Co., Complaint of Holland & ors.

ability but, one feels, because men of a sufficiently high calibre were not available in any case. In an age where the norm in business organisation was the sole trader or the partnership, there was no real training ground for managers of the type required by the York Buildings Company. The ablest men who made money working for others would be those most likely to attempt to accumulate some capital and set up in business for themselves. Even those who had trained in the major joint stock companies such as the East India Company would not necessarily have had the range of skills necessary to control the diverse operations of the York Buildings Company. Nor would they have been likely to leave a stable company for one on the edge of disaster. Thus the problems faced by the York Buildings Company including the control of labour in diverse and scattered plants, cash flow, stock market raids, board room rivalries and commercial interests that were not always apparently related, were in a very elementary sense, akin to those faced by the modern holding company.

Although the management of the York Buildings Company was certainly guilty of fraud and malpractice, this must be set in the context of the times. In many ways York Buildings Company directors and employees were no worse than many others in similar positions in both public and private organisations. As we have already seen, government officials accepted payments

from the public in the normal course of business and all classes were caught up in the speculative frenzy of 1720. The York Buildings Company, therefore, was not untypical of its age. Only a series of unfortunate management decisions and the scale of its losses gave it the degree of notoriety it has since obtained. It was certainly not unique in its methods.

CHAPTER 10.

THE WINDING-UP PROCESS.

The preceding chapters have shown that the York Buildings Company was in severe difficulties following the crisis of 1720 and that the attempts to salvage the organisation only served to drag it further into the mire. Thus by the 1730s creditors were trying to secure their debts by means of litigation and attempts were made to start the process of liquidating the company. The complications surrounding these efforts and the fact that the company operated in both England and Scotland led to difficulties which were only finally resolved in the 1820s when the company was eventually laid to rest. It is the object of this chapter to examine why this process took so long and what factors militated against a quick solution to the company's problems.

By the early 1730s the company's creditors and stockholders alike were anxious to have the company's affairs put in order. In order to achieve this a remedy was sought in two ways, through parliament and through the courts. In 1733 at the request of the stockholders, and in 1735 at the request of the creditors and stockholders, committees of the House of Commons investigated the company's affairs. A bill to give some relief to those suffering by the company's actions was lost in 1734 as it failed to pass the House of Lords before

the session ended.[1] *Following the second investigation of 1735, a more wideranging bill to appoint commissioners to ascertain the debts of the company and the interest of the creditors was read in the Commons on 7 May 1735.*[2] *This bill did not please some of the creditors who published a pamphlet stating why they felt that the bill should not be passed. Among the reasons put forward was that creditors would lose their rights unless they complied with certain conditions some of which, it was claimed, were impractical. Another objection was that creditors would only be entitled to what they had paid for any securities on the open market. No account would be taken of discounts on bonds. The objectors also felt that it would be difficult to find out what consideration the company had received in respect of securities which had passed through several hands. Furthermore, they were indignant that annuitants would also have to prove their title. This, they felt, would work against the government, as it would dissuade people from buying its own securities if the precedent was followed elsewhere.*[3] *In fact, as we have seen, many creditors had obtained securities such as bonds at considerably less than face value and thus they were not anxious to see their claims on the company cut down.*[4] *In this they were successful as the bill did not become law, but the House of Commons did declare the issue of bonds by Ashley and his associates in 1734 to be fraudulent and thus null and void.*[5] *This was*

---

1. *HCJ, Vol.22, p.231.*
2. *Lambert, Sessional Papers, Vol.7,p.183.*
3. *Guildhall Pamphlets, Reasons against the Bill now depending in the House of Lords(1735).*
4. *Vide supra, p.163-168.*
5. *HCJ, Vol.22,p.482.*

the only really positive action taken by parliament in 1735 to resolve the chaos into which the company's affairs had fallen.

In the ensuing three years there appear to have been several schemes advanced to try to settle the company's debts. However, it proved impossible to secure the necessary consensus among the creditors to implement any of them. Thus, on 1 March 1739, the company petitioned parliament to assist it to come to some binding agreement with the creditors. The petition was referred to a committee including General Wade, Sir Robert Sutton and Sir Robert Clifton, all of whom had been involved in the Strontian mines, Solomon Ashley the former governor who had left in disgrace, and William Maule, heir to the Panmure family.[6] *Nothing at all came of this petition*[7] *though whether this was because of the vested interests of the members of the committee such as Wade, Sutton and Clifton, who were trying to secure a remedy through the courts, cannot be determined.*

A more positive course of action was forced upon parliament in 1745 when the company, following a ruling in the Court of Chancery, wished to sell the Widdrington estate. A committee of the Commons found that £5,128 was still outstanding, and because of this, the company had not yet received a valid title to the estate from the English Forfeited Estates Commissioners. As a minimum of four commissioners was

---

6 *Ibid.*, Vol.23, p.265.
7 Murray, *York Buildings*, p.86.

required to sign a conveyance and only three remained alive, parliamentary sanction for a sale was necessary.[8] On 5 April 1745, leave was given to bring in a bill empowering the surviving commissioners to sign the necessary documents conveying the estate to the company on its paying the necessary sum into the Exchequer.[9]

Almost four years later, in February 1749, the company presented a new scheme to parliament which it hoped would help it solve its problems and pay its debts. It was claimed that the licence of 1729 which had allowed the company to trade with England had, by virtue of this specific limitation kept it out of the most profitable trade of all, fishing off the Scottish coast with its lucrative foreign markets. The company proposed to enter this trade and also whaling in northern waters. It was felt that this could be achieved if an act of 1733 encouraging whaling, valid for nine years, be revived. The company therefore, sought powers to enter these trades and operate abroad. The company also stated that as its annuities were declining it proposed to grant new ones and use the revenue from them, together with the surplus income from the estates brought about by the demise of old annuities, to pay its debts.[10] In effect, the company was proposing to embark on its speculative career all over again. It is hardly surprising to learn that the Commons was not impressed.

---

8 *HCJ*. Vol.24,p.822.
9 *Ibid*.p.856.
10 *Ibid*.Vol.25,pp.724-725.

A committee was set up to examine the state of the British fisheries. As a result of this investigation a bill was brought in to encourage whaling but nothing was done for the York Buildings Company.[11] *Parliament was later to act only in authorising sales of company property and in finally winding it up.*

The other remedy, always the more likely for the company's creditors, was by legal action in the courts. Thus by the 1730s, the company had embarked on cases both in England and Scotland which were to have immense significance for its future. Part of the trouble in settling the company's affairs was that many of its debts had been incurred as a result of its activities in London, whereas the bulk of its real assets, i.e. the estates, lay in Scotland. Thus the awkward question of legal jurisdiction raised itself. The Court of Chancery in England was able to identify many of the debts of the company, but was only able to order redress to the extent of the company's property in England; leaving aside the waterworks this consisted of the Widdrington estate.[12] *The debts admitted by the court in 1745 amounted to £115,320. The proceeds of the sale of the estates and accrued rents had reduced these debts to £40,042 by 1753,*[13] *suggesting that arrears and proceeds of sale, amounted to a sum in the region of £75,000. Unfortunately, no information has come to light*

---

11 *Ibid., p.876.*
12 *SL CSP 423;28, Waterworks Bond Crs v York Bldgs Co., 1801. Info. for Crs.*
13 *Murray, York Buildings, p.87.*

in the sources consulted to indicate who purchased Widdrington or the price received.

The principal remedy, therefore, lay in proceedings against the company in the Court of Session, as the major part of their assets lay in Scotland. The first major success in this field came in May 1732 when Sir John Meres obtained a decreet against the company for £7,282. Before he could do diligence against the company's estates for payment, he was paid by Daniel Campbell of Shawfield who took over the debt from him.[14] *The complications this caused in the company's dealings with Shawfield have already been examined.*[15] *Another major law suit began in the 1730s was on behalf of the Duke of Norfolk and his partners concerning the Strontian mines, and, also in the 1730s, the annuitants were starting legal processes in Scotland. The result of this flurry of activity was the commencement of an action of ranking and sale in December 1735.*

The complicating factor was that the greater part of the York Buildings Company's remaining assets consisted of land which was deemed to be heritable property, rather than more liquid assets which were held to be moveable property. In the case of the latter, the principle of "first come first served" meant that those creditors who obtained judgements quickly were able to secure payment. In the case of heritable property the process was much more formal and complicated. By the end of the seventeenth century the law had evolved to a

---

14 Guildhall Pamphlets, Information for Daniel Campbell of Shawfield 1765.

15 <u>Vide supra</u>, pp.378-382.

position where the bankrupt's heritable property was subject to a rateable division among his creditors and an act of 1681 had instituted the process to become known as Ranking and Sale. This action had two parts. On the one hand bankruptcy was established and the estates brought to sale. On the other the creditors were ranked in order of decreets against the company and their claims proved. The difficulty was that each of these two processes was held before a different Lord Ordinary (Judge) in the Court of Session. It was the duty of the court to appoint a factor to administer the estates until they were brought to sale or the debts settled.[16]

The end result was an extremely complex process which often took years to settle, a rule to which the York Buildings Company proved no exception. By the mid 1750s the whole matter was still far from settled. As we have already seen the Duke of Norfolk and his associates decided to circumvent the process and came to an agreement whereby the estates leased to Sir Archiblad Grant and Garden of Troup be sold, the partners in turn compounding for £82,000 instead of £125,000 they claimed was owed to them. The company tried to block the sale on the grounds that more could be obtained by waiting, but was unsuccessful.[17]

It is possible that another reason for delaying the sale of the company's estates was that there was support among

---

16 Erskine's Institute of the Law of Scotland, (Edinburgh, 1871 ed.), Vol.1, pp.646-647; Stair Society, Introduction to Scottish Legal History, (Edinburgh, 1958), p.225; Murray, York Buildings, p.88.

17 Vide supra, p.355.

people who were influential in the orgainsation for yet another speculative scheme to put the company back on the road to viability.[18] *In an undated paper, probably produced around 1757, an anonymous author declared that the estates could be made to produce more and, because of the changing climate in agriculture, could be readily improved. It was felt that over £20,000 could be gained as entry fees for lease of twenty years and another £20,000 by the exploitation of timber and minerals.. Furthermore, as the legal processes would take many years to complete, creditors would be urged to sell their debts and all but the annuities could be purchased by a group of people on behalf of the company. However, while it was being carried out, secrecy and security were necessary for the plan and only trustworthy people were to know of it. Among those to be privy to the scheme were to be John Blackhall, one Da Costa and other discreet brokers who were to be used to acquire the stock necessary to control the company, and thus the scheme. The market price of the stock in circulation estimated at £500,000 was 1½ but up to 4 per cent was reckoned to be worth paying to ensure control. The idea was that if £300,000 could be acquired at 3 per cent, the cost would be £9,000. If ten people were involved in the scheme this would only involve an outlay of £900 per person. The major debt outstanding was that of £82,000 agreed with the Duke of Norfolk and his partners.*

---

18 SRO GD345/854/18, Grant of Monymusk MSS. Memorial concerning the affairs of the York Buildings Company in Scotland,1763.

The other debts, it was felt, could be purchased for around £120,000. Existing annuities amounted to £5,500 and that sum, together with interest at 4 per cent on the other two would make a total outlay of £12,700. But as the company still had the power to grant annuities, the improvements on the estates available for re-letting would make the granting of a new issue of such securities attractive. It was felt that any lottery designed to distribute the annuities would be easily filled and have the full support of the government. By paying its debts the company would regain full possession of the estates and be able to sell any part of them if it saw fit. The profits from this scheme would be such that handsome dividends could be paid to the stockholders who could make enormous capital gains, £50 per cent on stock being mentioned as a possible return. Considering the fact that £3 per cent was to be paid for the stock the potential gains were indeed staggering. Of the ten shareholders to be involved, five were to be persons of use to the consortium in Scotland and the other five large holders of existing stock.[19]

The whole scheme was naive and impractical but in that sense it was typical of all the proposals designed to rescue the company after the crisis of 1720. It ignored the fact that a scheme to raise annuities as part of the fishery proposals had already been brushed aside by parliament in 1749.

19 Ibid. GD 345/876/12, Anonymous undated proposal. Internal evidence suggests it was produced in 1757.

It made light of the vested interests already at work on the estates including the interests of current tenants and the forfeited families. It also failed to take into account the realities of improvement in Scotland at this time in that considerable capital outlay was necessary in the initial stages and it was often only in the long term that such investments paid off. The experience of John Cockburn of Ormiston and Sir Archibald Grant, both of whom were directly involved with the company, in this respect should have served as a warning. The scheme had such a dubious financial base that, had it been implemented, it would almost certainly have been yet another fiasco.

The sale of 1764 left the creditors and the stockholders in a fairly disgruntled state. The former felt, with justification, that the preference given to the Duke of Norfolk and his partners was unjust. The whole transaction had been dubious from the start and it was felt that if the partners had operated the mines themselves, significant losses would have resulted. Because of this payment the rights of other creditors had been jeopardised.[20] *The plight of the stockholders was reckoned to be even worse with little hope of them ever receiving anything.*

It was at this juncture that yet another scheme to take over the company was devised. At a meeting of stockholders held at the Swan and Hoop Tavern, Cornhill, on 25 April 1766,

---

20 Murray, York Buildings, p. 95.

John Mackintosh, a London merchant, who had made a thorough investigation of the company's affairs, put forward what amounted to a take-over bid. He offered the stockholders £15,000 for their stock and the company's assets. The governor, John Marlar, a London banker, urged acceptance. Marlar stated that he and his fellow directors intended to resign anyway and that if no one could be found to take their place, the company would lose its charter and that the stock, already, in their opinion, worthless, would in fact be completely written off. The stockholders threw out the measure but Mackintosh and his associates acquired sufficient voting stock to gain control of the company.[21]

The Swan and Hoop proposal was, in fact, an astute move by John Mackintosh, relying as it did on the exasperation of the stockholders. In taking over the company, the group would also take over the debts,no doubt hoping to play on the impatience of the creditors and buy them out for a small guaranteed sum, the certainty of payment appealing to them as the legal process was slow and might possibly yeild nothing. The group would then have been left with the remaining estates which, unencumbered by debts, would have yielded either an excellent return or a good capital gain. Potential speculators, therefore, still found the company an attractive proposition.

Two of John Mackintosh's associates, William Petrie

---

21 Ibid., pp.95-96.

and Albany Wallis (the latter afterwards solicitor to the company) became, successively, governors of the company.[22] *By 1773, however, the office had fallen into the hands of Robert Mackintosh, an advocate and possibly a relation of John Mackintosh. Thus, for the first time, the office had fallen into the hands of a home-based Scot, a clear indication that the centre of gravity of the company was now firmly fixed north of the border. Robert Mackintosh was to control the company until his death in April 1805.*[23]

During 1768 and 1769, Robert Mackintosh had been active in buying up the claims of the creditors under the trust deed of 1731.[24] *In all, he laid out £28,544 in acquiring those claims. Of this sum £3,000 was borrowed from Earl Temple the remainder coming from John Walsh, Lord Clive's secretary. Walsh claimed that these purchases were to be for his benefit and one-third of the profits were to go to Mackintosh. The latter claimed he merely borrowed the money from Walsh on the security of company property and confirmed this on oath in a suit in Chancery. Walsh was forced to drop the proceedings in England and begin again in Scotland, with a view to recovering his money from the company.*[25]

At first Walsh sought to acquire an act similar to the one which had brought about the partial sale of 1764. However, as the annuities were by now virtually extinct, the creditors as

---

22. *Ibid., pp 96-97*
23. *SL CSP 231;21, Mackintosh v Robertson, 1805, Memo for Robertson and Dallas, 4 July 1805.*
24. *Vide supra, p.159-160.*
25. *SL CSP 185;1, York Bldgs Co v Mackenzie, State of Process 30 June 1791.*

a whole decided to pursue their own interest more strongly.[26] *The result was the act of 1777*[27] *which directed and empowered the Court of Session to bring the company's remaining estates on to the market upon the application of any interested party, in accordance with normal Scottish practice.*[28] *Thus for the second time the process of ranking and sale was brought into operation. The company thus entered into the last phase of its career, the complexities of winding up ensuring this was to last for another half century.*

The normal procedure in such cases was for the creditors to appoint a common agent to act on behalf of all of them in connection with their claims. The choice fell upon Alexander Mackenzie W.S., Walsh's agent. This was to be instrumental in bringing about a great deal of confusion in the company's affairs as there was a fair degree of animosity between Mackenzie and Robert Mackintosh.[29] *The matter came to a head when Mackenzie appeared to use his influence to acquire part of the Winton estate for himself,*[30] *with the result that the company started proceedings against him and he was ultimately forced to resign.*

The position of Mackenzie with regard to the Winton estate should not be allowed to obscure the fact that Mackintosh was opposed to the role of the common agent, whom he saw as liable to overturn his own ideas as to how the company's affairs

---

26 *Ibid.*
27 *17 Geo III c.24*
28 *Goldsmith's Library, Report of Archibald Swinton, 27 February 1809.*
29 *Murray, York Buildings, p.98.*
30 *Vide supra, p.344.*

should be settled. This is clearly seen with regard to his conduct towards Walter Scott W.S. who succeeded Mackenzie. Scott, father of the novelist who was, at that time, his apprentice, was appointed common agent on 11 March 1789. The court decided that, as at this time, it appeared that all the creditors might be paid and a sum left over to the company, the creditors had no right to appoint the agent and accepted Scott as the company's nominee.[31] Mackintosh also contrived to have an assistant appointed to Scott whose job, in reality, was to act on behalf of Mackintosh and undermine Scott. The latter resigned in disgust having served for less than two years and achieved very little.[32]

Scott's successor appointed on 21 January 1791, was James Bremner, W.S. In this case the common agent was appointed by the court as the situation had changed and once more it seemed there might be insufficient to pay the creditors. Mackintosh, in order to make it appear that the company had the right of nomination, had also put forward a minute recommending Bremner. The period of harmony between the company and Bremner was short-lived. Bremner later stated the idea was that he and the company's agent should work together to provide a solution to the organisation's problems. Within a month this had broken down as Bremner saw that their roles and the groups to whom they were responsible were incompatible, particularly if Bremner's

---

31 *Goldsmith's Library, Report of A. Swinton.*
32 *SL CSP 492;67, Bremner v Lousada etc. 1816, Answers for Jas. Bremner, 31 May 1816.*
33 *Goldsmith's Library, Report of A. Swinton.*

views clashed with those of Mackintosh. Thus there commenced a running battle between Bremner and the company both within and without the law courts.[34] *Despite the opprobium heaped upon his head by the company, Bremner continued to hold the cffice until 1819.*[35] *The reason for Bremner holding on to the office so long, despite severe criticisms of his conduct, was simple. It was extremely lucrative. In 1809, the amount due to Bremner in respect of the expenses of ranking and sale and division stood at £13,340 of which he had already received £12,840. Included in this sum was an agency fee of 2,350 guineas for the period 1791-1801.*[36] *It seems fair to assume that the expenses probably included a fair amount for legal fees which found their way into Bremner's pocket. Thus one can argue that Bremner, along with many other lawyers,had a vested interest in dragging out the York Buildings Company liquidation. This is emphasised by the nature and extent of the litigation in the last thirty years of the company's existence.*

As we have already seen,the long drawn-out process of ranking and sale had led to attempts to circumvent the process in the 1750s. Thus it is hardly surprising that attempts were again made in the 1780s and 1790s to expedite the whole affair. Accordingly, on 2 June 1786, the Crown and Anchor Agreement, named after the London tavern where meetings concerning

---

34 *SL CSP 492;67, Bremner v Lousada etc. 1816, Answers for Jas. Bremner, 31 May 1816.*

35 *SL CSP 557;40, Bank of Scotland v Keith, Petn.of William Keith & ors. 24 February 1820.*

36 *Goldsmith's Library, Report of A. Swinton.*

it were held, was subscribed to by a number of creditors. The essence of the agreement was that creditors were to accept specified sums in full settlement of their claims without further recourse to litigation. However, in order that those who agreed to the settlement should not be at any disadvantage, they were to assign that part of their debts remaining unpaid to Mackintosh or his nominee to ensure that they were ranked against non-acceeding creditors. The whole agreement was to be void unless agreed to by three-quarters of the creditors in value, and also fall if payment was not received within two years. To ensure the whole agreement was practical, it was to be ratified by the company.[37]

Although at first seeming to consent to the Crown and Anchor Agreement and appearing to do his best to ensure it achieved the sanction of the law, Mackintosh effectively killed the plan by avoiding giving formal consent to his own role and ensuring that the company itself did not ratify the necessary deed.[38] *Despite this, some attempt was made to pay off the creditors under the agreement. Thomas Lloyd, a London attorney who acted for many of the creditors, and John Taylor, an Edinburgh lawyer who had served for many years under Alexander Mackenzie, the common agent at this time, were regarded as the greatest experts on the company and had been appointed to implement the agreement on behalf of the creditors. Relations between Mackintosh and Taylor and Lloyd were good during the next few years*

---

37 *SL CSP 470;7, Mackelcan v Lloyd 1806, Petn of Mackelcan, 13 February 1806.*

38 *Goldsmith's Library, Report of A. Swinton.*

and matters in fact proceeded as if the agreement had been implemented and many creditors were paid sums agreed to under the plan. However, the true state of affairs was not revealed to the creditors who were under the impression that they were obliged to abide by the agreement. This was certainly to the advantage of Taylor and Lloyd who expected to receive a considerable sum for their services. Timothy Lane, a London apothecary, paid them £96 out of £1,029(c9.3%).[39] Between 1787 and 1789 interim warrants for payments on account, authorised by the courts amounted to £150,000.[40] As the general level of settlement had been around one-half of the actual debt, the company itself would have benefited to the tune of around £150,000.

Lloyd and Taylor were charging commission and expenses at rates varying between 10 and 20 per cent.[41] In addition, they had acquired the rights to some of the debts themselves. This prompted Archibald Swinton W.S. to publish a pamphlet in 1811 stating that Taylor and Lloyd had acquired £130,000 by fraud and urged the creditors to pursue the matter,[42] no doubt hoping to benefit personally from the myriad of legal business this was liable to generate. The pamphlet provoked a protracted legal case between Swinton and Taylor's sons. It seems unlikely that Taylor and Lloyd received anything like this sum, although their profits appear to have been considerable. The company was thus unwillingly drawn into yet another court marathon, this time not of its own making but which once more served to delay the winding up of its affairs.

39 *SL CSP 492;22, Lane v Taylor, 1816, Info for Lane's execs., 15 May 1816.*
40 *Goldsmith's Library, Report; Murray, York Buildings, p.109.*
41 *SL CSP 340;4, Taylor v Swinton, Infor. for Taylor, Appendix.*
42 *SL CSP 278;1, Taylor v Swinton Petn & Complaint of Taylor, 15 February 1812.*

Relationships between Mackintosh and Lloyd and Taylor deteriorated during 1790 and 1791 and this eventually resulted in a complete break between the parties. Lloyd and Taylor had to apprise the creditors of their situation with the result that each creditor would once more rank for the full amount of his debt instead of the sum he had contracted to take under the Crown and Anchor Agreement. Thus when James Bremner took over as common agent, the situation was such that it seemed once more that there would be insufficient money to pay the company's debts.[43] The situation was further complicated by the fact that a decision in the Court of Session in 1783 upholding the principle of negative prescription, thus reducing the bond debt, was eventually overturned in 1787 which had, in itself, allowed further claims to be made, and partly settled, under the Crown and Anchor agreement.[44] This situation, which in fact verged on complete anarchy, led to the renewal and instigation, of yet more litigation and further complicated the vexed process of liquidation.

It is hardly surprising, therefore, that further attempts were made to try to bring the matter to a final settlement avoiding the courts. On 12 April 1792, the company, in return for certain benefits, was to make over its funds to be divided among the creditors. Five trustees were to be appointed to act as arbiters to decide the sum due to each creditor. As

43 SL CSP 492;22, Lane v Taylor, 1816, Infor. for Lane's execs, 15 May 1816.

44 Goldsmith's Library, Report of A. Swinton.

it was assumed that all litigation would be ended, it was felt that there was nothing to stop the funds being divided out reasonably quickly. Thus the money avalable would be taken out of the hands of the court and given to the trustees who would place the funds in one of the public banks ready for distribution.[45] *The benefits the company was to receive were £10,000 plus interest at 4½ per cent from Whitsunday 1792 until the sum was paid. The Scottish funds were to be used to pay the amounts due to the company's Scottish law agents. Finally, the waterworks were to be handed back to the company at a value of £8,000. Those funds and assets remaining to the company would then be available for judgement creditors, all other creditors having to renounce any claims against the company in England. The cost of satisfying the company's share of the proceeds was to be borne pro rata by the creditors. It was claimed that the sum left to be divided among the creditors would be in the region of £215,000 with debts being approximately £285,000.*[46] *Taylor and Lloyd felt that this scheme was unworkable, largely, one suspects, because they had no part to play in it. Instead they negotiated what came to be known as the Restrictive Agreement of 20 April 1792.*[47]

The broad principles of the Restrictive Agreement were similar to the General Agreement in that the same sums would be left in the company's hands and the balance would

---

45 SL CSP 492;22, Lane v Taylor, 1816, Infor for Lane's execs, 15 May 1816.

46 Goldsmith's Library, Report of A. Swinton.

47 (SL CSP 492;22,) Lane v Taylor, 1816, Infor. for Lane's execs. 15 May 1816.

become the surrendered fund to be divided among the creditors. However, it was felt that some account had to be taken of the fact that many of the preferred classes of creditors who had been parties to the Crown and Anchor Agreement had been partly paid under that scheme, whereas the postponed creditors, who were also part of the new plan, had received nothing. Thus Lloyd and Taylor were, at their descretion, allowed to restrict their clients who had preferred status to such sums as they thought fit, to allow some funds to be available for postponed creditors. In effect, creditors would get what was allowed to them by Lloyd and Taylor. Very few people subscribed to the agreement personally. In most cases Lloyd and Taylor did so on behalf of their own clients and other solicitors who, it was claimed, did not really understand the situation, did so on behalf of their clients.[48] *It would appear that all most people were interested in by this time was getting some money back. The situation facing the company was so complex that only those most intimately connected with its affairs had any real idea of what was going on. Thus the way was open for those with such knowledge, such as Lloyd and Taylor, to make as much money as they could out of the situation.*

The Private Restrictive Agreement also fell through as it was dependent on a quick settlement and prompt payment. This did not happen. Instead each individual claim went before the arbiters, but James Bremner, as common agent,

---

48 Ibid.

demanded and got the right to examine each claim and see how it corresponded to information which could be derived from the company's books. The net effect was that some claims were restricted, a few rejected and others declared to have been fully satisfied by payments under the Crown and Anchor Agreement. It was not until 9 September 1794 that the investigation was completed and the arbiters' award announced, each creditor's debt being specified and payments on account noted.[49]

The arbiters expected that the money would be divided as soon as the necessary process of obtaining legal sanction for the ranking and scheme of division was completed. As this seemed likely to take some considerable time, agents for the creditors, despite objections from Bremner, sought and obtained an interim dividend for the creditors. On 11 March 1795 preferred creditors received a dividend of 85 per cent being paid to postponed creditors. Interest of 4½ per cent was paid from Whitsunday 1794. The benefits accruing to the company under the General Agreement of 1792 were confirmed. This left a total of around £40,000 in the hands of the purchasers of the company's estates and its factors. After allowing the £10,000 due to the company and debts and expenses incurred in the sequestration, some £18,450 was left in the hands of the company's factor in 1796. To this was added £3,160 when the superiority of the burgh of Stonehaven, part of the

---

49 Goldsmith's Library, Report of A. Swinton.

Marischal estate, was finally sold to Lord Keith on 1 February 1797. In all it was reckoned by June 1797 that some £25,000 was available for further distribution among the creditors but further legal wrangles meant that it was not until June 1801 that a further scheme was placed before them. Even so it took another year of claim and counter-claim by the company and its creditors before the court finally authorised a further payment, which took the form of yet another interim dividend payable on 15 May 1802.[50] *The high rate of dividend with the clear possibility of more to come probably helps to explain why many of the creditors were so patient.*

Problems also arose with the reversionary fund i.e. the money left with the company under the agreements made in the 1790s. This consisted of the £10,000 plus the proceeds of the resale of the Winton estate. The latter had been the subject of litigation at the time of the agreements and thus the arbiters decided that any proceeds should fall to the company and not to the creditors acceding to the agreements. As soon as it became known that new funds were available, new claims appeared. Upon the application of these new creditors upon the company's bonds, the Winton estate was sold and out of the surplus remaining to the company after payment was made to Mackenzie, interim payment was made to such creditors. A balance of £7,933 remaining after such distributions was ordered by the court to be paid into the bank.[51]

---

50 *Ibid; SL CSP 396;29, Petn.of E. Dayrell & J. Gibson,15 June 1798.*
51 *Goldsmith's Library, Report of A. Swinton.*

The reversionary fund, like the surrendered fund, was incapable of meeting all of the claims upon it and attempts were made to reduce these which seemed most outrageous. For example, Robert Mackintosh's executors lodged a claim for his salary as governor, amounting to £300 per annum, which had not been paid since 1773. The total claim was said by the executors to be in excess of £25,000.[52] *In pursuit of this amount the executors refused to release the company's seals and papers.*[53] *It seemed certain though that such sums would not be paid as the reversionary fund was never going to be able to satisfy them.*[54]

By 1809 the final arrangements for payment of the creditors had still not been made. In that year, a report to the creditors recommended certain action be taken to solve outstanding problems. In the first place it was suggested that superiorities in Berwickshire and on the Linlithgow estate be sold. It was reckoned that these could fetch £1,000. Secondly, it was felt that certain payments made to Bremner as common agent and payments made to non-acceding creditors could be reclaimed. However, the balance likely to remain in the reversionary fund was reckoned to be so small that the reporter recommended that further litigation should be avoided. It was stated the company, (presumably the stockholders), office bearers and some of the postponed creditors had little hope of

---

52 *SL CSP 231;21, Mackintosh v Robertson, 1805, Memo for Mackintosh, 4 July 1805.*
53 *Ibid., Memo for Robertson and Dallas, 4 July 1805.*
54 *Goldsmith's Library, Report.*

receiving anything at all from company funds. The situation was so complex that it was felt that an accountant of great skill should be employed to draw up a final scheme of division of the reversionary funds.[55]

The reversionary fund was finally wound up in 1811. Some time previously, a group of London men, possibly creditors, banded together to acquire York Buildings Company stock, not only for the corporate rights that went with it, but with a view to ending the litigation in the courts and distribute the discretionary fund. They struck a bargain with Mackintosh's heirs and associates, acquired the stock and put their own men into the management. The group's agent, a Mr. Porter, then agreed a settlement with all those having a claim on the fund. On completion of the agreement Porter went to Edinburgh, presented Bremner with a fait accompli and left him no grounds to object to a final settlement of this account. On 30 June 1811 the court granted permission to bring the scheme into effect. It was claimed that this was far easier than fighting it out in the courts and there is little doubt that this was indeed the case. Bremner, who had already received £5,726 for his trouble in connection with the reversionary fund, and was to receive a further £800, certainly had a vested interest in ensuring the matter was as protracted as possible.[56]

Despite progress in clearing off the reversionary fund,

---

55 *Ibid.*

56 *SL CSP 328;1, Crs. of York Bldgs. Co. v Bremner 1813, Petn. & complaint of Crs., 27 April 1813.*

there was still money left in the surrendered fund. The new owners tried to force Bremner to come to a solution similar to that employed for the reversionary fund. In this case they were less successful. In a letter to Thomas Lumley, the new governor, on 6 March 1812, Bremner agreed to a solution, providing the arrangement was just and practical. Bremner was greatly assisted by the fact that Sir William Honeyman, the judicial factor, was in possession of £2,381 plus interest in respect of unclaimed dividends. This sum came mainly from the distribution of 1802 although part of it was attributed to the years 1795 and 1796, and represented dividends to twenty-two creditors, clients of Lloyd and Taylor. The sum had been unnoticed until 1811, but when it was made public, claims were entered on behalf of many of the relevant creditors or their heirs. Because some of these funds had been assigned to Taylor, Bremner blocked payment in order to try to reclaim some of the money as due to the creditors at large, Lloyd having been ordered by the court to account for certain company funds held in his own hands. Once more, Bremner succeeded in tying the company up in the courts for several years. In 1819, however, both he and Sir William Honeyman were replaced by William Molle and William Keith respectively as common agent and judicial factor.[57] The matter was carefully considered and in May 1820, Molle declared that he had no objection to the dividends being paid.[58] This was in distinct contrast to the opinion of James Bremner and clearly suggests the latter was trying to prolong the liquidation process for private gain.

---

57 SL CSP 557; 40, Bank of Scotland v Keith, Petn. of W. Keith & ors, 24 February 1820.

58 SL CSP 575; 11, Report of Wm. Molle on the Petn. of Wm. Keith, 31 May 1820.

The positive action of the creditors and stockholders in ridding themselves of Bremner and Honeyman was, therefore, a great help in bringing the company to a more peaceful end. By 1829, the only income remaining to the company was from a perpetual annuity in respect of a lease of the waterworks amounting to £250.18s6d. which, since 1818, had been paid by the New River Company.[59] *It was felt that this income was insufficient to make a division among the proprietors of stock a feasible proposition. On 19 June 1829, therefore, an act was passed to dissolve the company and vest its property in trustees in order that it might be sold and the proceeds divided amongst the stockholders. The Court of Chancery was to ascertain any debts due by the company and the amount expenses incurred in liquidating the organisation. Any money gathered in on the disposal of company property was to be invested in public funds until it was divided up amongst those entitled to it.*[60] *No evidence has come to light to show how much, if anything, was received by stockholders. By making provision for them however, parliament finally brought the affairs of the York Buildings Company to a long overdue conclusion.*

The difficulties arising from the liquidation of the York Buildings Company do serve to highlight one of the problems facing businessmen at this time i.e. the difficulty of creditors in ensuring that an organisation could be wound up and their claims proved and paid within a reasonable period. It could be

---

59 *Vide supra*. p.28.
60 *10 Geo IV. c.28.*

argued that similar problems had to be faced in dealing with individual bankrupts but the extent and nature of the debts of a corporation such as the York Buildings Company were far in excess of that of an individual bankrupt. The complexities of ranking and sale and the complete disarray in which the company's affairs had proceeded since 1719, ensured that there were many pretexts and excuses for a series of legal battles from which it seemed only the legal profession, including those members acting for the company as well as for the creditors, emerged as the real victors, having, as Murray says, "reaped a rich harvest".[61] The lack of a clear body of company law and standard practice certainly assisted the lawyers and worked to the clear disadvantage of the creditors.

---

61 Murray, York Buildings, p. 112.

CONCLUSION

The conduct of the York Buildings Company's affairs reveals several interesting trends both within the organisation and in the wider economic, social and political community. In the first place it reveals much about early corporation finance. The speculative mania of the period 1719-20 made it easy to attract subscribers to the company's schemes and, initially at least, members were willing to meet their calls. The collapse of the bubble and malfeasance by those involved in the company left its finances in a chronically weakened state. As a result of this crisis, stockholders became unwilling to meet further demands made of them. In common with many other eighteenth century ventures, therefore, the York Buildings Company found itself underfinanced. To remedy the situation it sought to manipulate its own stock and resorted to lotteries and bond issues to avert crises and raise short as well as longer-term finance. The result of such measures was to weaken rather than strengthen the company's position. The manipulation of stock indicates that investors aimed for capital gains rather than long-term investment to secure a steady return. Consequently as the company's position declined, further debts were incurred to meet current liabilities, in particular the ambitious industrial and trading projects devised by Col. Horsey. Thus, economic conditions combined with unsound financial management to bring about the collapse of the York Buildings Company.

The role that large-scale enterprises were expected to play in the economy of pre-industrial Britain also tended to work against the York Buildings Company. Large corporations were usually tied into a sector such as government finance or long distance trade where the capital required and risk involved were too great to be borne by an individual merchant or even by a partnership. Such factors led to the long-term success of the Bank of England and the East India Company, although the fate of the South Sea Company and the Royal Africa Company did serve to warn of the dangers of such enterprises. On a slightly lower plane, joint-stock organisation could be used to finance enterprises where the initial capital outlay was high and returns could only be expected in the larger term such as mining and river and road improvement schemes. The York Buildings Company did not fit easily into such a pattern. It did try to serve the national interest by buying up a large proportion of the Scottish forfeited estates when, for political and social reasons, individual Scots proved reluctant purchasers. In the second category the company did try to bring large-scale capital ventures to the Scottish highlands which in turn would have served the national interest had they proved successful; such enterprise though was spread over too wide an area making the enterprise too scattered to succeed at this time. Severe management problems ensured the ventures were doomed to failure. By diversifying into a multiplicity of roles the company rather than spreading its risks merely compounded its problems, and the lack of a specific and clearly profitable purpose as opposed to attempts merely to survive undoubtedly contributed to its demise.

The problems of managing such a fragmented business as the York Buildings Company also played a large part in its failure. The company can be seen as an early example of a holding company, the central management being responsible for the overall policy and the distribution of profits from a series of individually managed, diverse enterprises. Such a system demands good transport and communications, neither of which existed in early eighteenth century Britain. The Scottish estates and industrial enterprises were scattered from each other and remote from London. This made control difficult, if not impossible, and significantly added to costs. Even if these problems could have been surmounted the fact that the professional manager had not yet made his mark meant that there was no one trained to control such an enterprise. Even without fraud and mismanagement, therefore, it would have been difficult to make such an enterprise profitable.

The York Buildings Company was unique in the range and diversity of its activities but it shared the problems and experiences of many other companies at this time. Like the South Sea Company and others it was ruthlessly manipulated to take advantage of the boom in stock prices of 1720 though, unlike its great counterpart, there was no attempt to mount a rescue bid after the stock market collapsed. The York Buildings Company continued to suffer from a further series of intermittent stock raids during the next fifteen years. Like the Mines Royal and Mineral and Battery Works and the Royal Lustring Company it was acquired by the syndicate led by case Billingsley who wished to acquire its corporate powers and with them was abandoned when the group's short-term aims were achieved or blocked by the government. Strong links with and similarily to the frauds

connected with the Harburgh Company and the Charitable Corporation again shows the York Buildings Company was not alone either in its conduct or its problems. The experience of all of these organisations clearly shows why the joint-stock form of enterprise was viewed with such suspicion in the eighteenth century.

Evidence of corruption both within and without the York Buildings Company further justifies the contemporary suspicion of joint-stock companies. The acquisition of the York Buildings Company's estates, the establishment of its lotteries and the extension of its powers, all despite strong opposition would have been impossible without government connivance. Direct evidence of corruption between Billingsley and the Solicitor-General, Sir William Thompson and the possibility of company stock being used to accommodate people in high places shows a marked similarity to the activities of the South Sea Company and thus seems to reflect the political and moral climate of the contemporary Whig administration.[1] That the company was strongly dominated by the English Whig interest is perhaps most clearly seen in the prospective sale of the Scottishestates to the families of the former proprietors in 1726. Although backed by Lord Milton, one of the most influential political figures in Scotland, the plan was effectively blocked in London, ostensibly for legal reasons but more likely because of political factors. This incident can also be taken as a clear indication that the interests of the English establishment would prevail over those of its Scottish counterpart.

Corruption at higher levels also gave rise to dishonesty within the company itself. Unexplained deficits in cash such as

1. . Carswell, Bubble, pp. 110-113, E.P. Thompson, Whigs and Hunters, The Origin of the Black Act, (1975) pp. 213-218.

that attributable to John Billingsley, manipulation of the company's affairs to enhance its stock value to allow insider dealings at regular intervals between 1720 and 1735, the organisation of the company's estates to suit its agents, directors and their associates and the inept and dubious floatation of the industrial ventures all serve to highlight how easy it was to make great personal gain at the expense of the company. The bulk of the stockholders proved unable or unwilling to control the company's affairs as they replaced one venal management team with a similar group on several occasions. The new group proceeded to lay the blame for the company's problems firmly on its predecessors whilst following similar aims and actions.

The York Buildings Company can be linked through various individuals and groups to several other contemporary joint-stock enterprises. In particular there were strong links with the Charitable Corporation and the Harburgh Company, both of whom, as we have seen, had frauds similar to those identified within the York Buildings Company. In addition, overlaps in personnel can be seen in the Royal Exchange Assurance, the English Copper Company, the Welsh Copper Company, the Mine Adventures of England and the Mines Royal and Mineral and Battery Works. What emerges therefore is that there was a group of men active in the city of London who between them controlled many of the joint-stock companies of this period, including the York Buildings Company. Another interesting feature is that this group consisted not only of city businessmen

but landed gentry such as Grant of Monymusk and Sir John Meres as well. Several Members of Parliament including Grant also had clear interests in this sphere. Given the landed interest, it is hardly surprising that many of these corporations were mining ventures. This fitted in with the climate of the times as mining was a high-risk, capital-intensive enterprise well suited to speculation. The variety of the enterprises, however, shows the landed class was willing to invest in schemes outside the type of activity normally connected with their estates. The propensity towards gambling in these companies, and indeed in society as a whole is also clearly seen in the York Buildings Company, Harburgh and Charitable Corporation lotteries which were all designed to tempt people of all classes by means of lucrative prizes but in reality were meant to make considerable profits for the operators, often at the expense of others. The York Buildings Company was not alone either in its speculative nature or in its fraudulent conduct.

What transpires, therefore, is that in the mind of eighteenth century man, corporations were designed to provide him with the opportunity to amass a fair degree of wealth, if need be at the expense of his fellow shareholders and the general public alike. The attitude therefore was fairly similar to that held towards government,i.e. that patronage could be used to provide comfortable sinecures or offices capable of generating considerable profits. In that way one can say that joint-stock companies in

the 'Bubble' era seemed to fit more comfortably into the public rather than the private sector of the economy. The clerks in the London office were accountable to the directors, and as the latter were keen to line their own pockets,the former were forced to keep silent or abet their masters. Individuals rather than a closely controlled system were still vital to the control of most business. In the York Buildings Company individuals of real flair, ability and integrity were notably absent. Thus the reason why the men who did control the company were not called upon to account for their actions, and demands for a parliamentary enquiry were not significant before 1733 would appear to lie in the fact that stockholders were only interested in the market price of their security and in promises of future wealth. They were prepared to ignore allegations of malpractice and even approve blatantly absurd accounts in order to maintain their stock at a price which bare no relation to reality.

In this situation parliament appeared unable or unwilling to do much to remedy the problems of joint-stock companies. Certainly in the cases of the York Buildings Company, the Charitable Corporation and the Harburgh Company, the Commons responded to the pleas of sufferers and creditors by carrying out investigations into their affairs. Only in the case of the Harburgh project was the intervention wholly effective. In the case of the York Buildings Company and the Charitable Corporation matters were far less satisfactory. Only a few grievances were removed and minor action taken. The major problems arising from both these

affairs were left unsolved. It seems possible also that certain individuals could be shielded or at least partly protected from the consequences of their actions by means of friends on such committees or in the wider body of the House of Commons. Thus, the extent of Sir Archibald Grant's role in the York Buildings Company, one of the major factors in the company's difficulties, does not emerge from the reports on that organisation, although the extent of his involvement must have been known to many people. Secondly, he emerged from the Charitable Corporation affair relatively lightly given the circumstances again, one feels, partly due to the influence of his friends. Likewise the role of Sir John Eyles in the Harburgh Company could have been minimised by friends including a former director of the Harburgh Company who sat on the committee investigating its affairs. Solomon Ashley, governor of the York Buildings Company, only escaped the censure of the House of Commons in 1735 as a result of diversionary action by his friends. Only by the authorisation of the sale of its estates in Scotland did parliament give any degree of comfort to the creditors of the York Buildings Company. The ultimate solution to the company's problems lay with the courts and not parliament. Even in the courts, vested interest, not least certain members of the legal profession conspired to delay the ultimate winding-up of the company by around half a century.

The York Buildings Company also gives a fair insight into the workings of the pre-Stock Exchange capital market. Before the passing of the 'Bubble Act' it proved comparatively easy to

raise a subscription for a relatively large joint-stock. The act itself made it more difficult to do this after 1720,but even here, as was the case in the Harburgh Company and its lottery, enterprising promoters would attempt to find ways around the measure. Trading in stock not affected by the act continued, albeit on a lower scale than during the mania of 1720 and attempts to curb stock-jobbing proved unsuccessful. The market was crude, and prices were based on many factors, particularly the rumours which abounded in the coffee houses around Exchange Alley where stock dealings took place. Thus it proved possible for company directors to circulate such rumours to boost their own stock. In particular, those engaged in the Charitable Corporation fraud were able to boost York Buildings Company stock by fuelling rumours that the Scottish ventures, particularly the lead operations,were likely to prove the company's salvation. Lottery tickets, bonds and even debts of the York Building Company changed hands in Exchange Alley, often at a discount. The varying prices of such securities and the complexity of such dealings show that,despite the lack of an official Stock Exchange, the securities market was beginning to take on a more developed character. Lack of an institution with a set of regulations meant that the onus was on the buyer to ensure that he got a fair deal. As a consequence, many York Buildings Company investors got their fingers badly burned.

The law also did little to help York Buildings Company sufferers in the short or even the medium term. The process of winding up a joint-stock company was slow and ponderous. In

the case of the York Buildings Company, the bulk of its property lay in Scotland and thus it was under Scottish law that payment was finally paid to the creditors. The lack of a body of company law was a complicating factor. Thus it took an Act of Parliament of 1829 to bring the company to its close. It was therefore several generations before some families recovered even a proportion of the sums owed to them by the York Buildings Company. In such a climate it is hardly surprising that the partnership was a more favoured form of business both with participants and customers.

Thus the York Buildings Company clearly provides an interesting and complex case study in corporate mismanagement in the eighteenth century. Moreover the events surrounding the history of the York Buildings Company provide a useful insight into the contemporary business world and, perhaps more significantly, reveal the impact of political and social trends. It thus deserves to be seen as an illuminating chapter in British history.

BIBLIOGRAPHY

1. *Manuscript Sources*
2. *Printed Original Sources*
3. *Unpublished Theses*
4. *Secondary Sources*

1. MANUSCRIPT SOURCES

Public Record Office, London:

Court of Chancery
- C11. Chancery Bills and Answers
  - 93/16 Mackworth v Robinson
  - 114/19 York Bldgs Co. v Horsey
  - 372/102 Meres v Wood
  - 378/149 York Bldgs Co. v Meres
  - 381/109 Mackworth v Royal Exchange Assurance
  - 519/6 Charitable Corp. v Grant
  - 520/11 Charitable Corp. v Burroughs
  - 520/38 Hall v York Buildings Co.
  - 672/24 Tench v Billingsley
  - 1192/43 Church v York Bldgs Co.
  - 1726/27 Lilly v Billingsley
  - 1730/17 Elliot v York Bldgs Co.
  - 1816/1 Westmoreland v York Buildings Co.
  - 1833/23 Grant v York Bldgs Co.
  - 1863/12 Billingsley v Lilly
  - 2218/44 Shrubb v Billingsley
  - 2384/10 Elliot v York Buildings Co.
  - 2397/44 Holland v Billingsley
  - 2446/33 Munoz v York Buildings Co.
- C12. Chancery Bills and Answers
  - 1370/5 Holland v York Buildings Co.
- C107. Chancery Masters Exhibits
  - 172 Scarr v Marvar

Court of Exchequer
- E112 Exchequer Bills and Answers
  - 1172/556 Billingsley v Joules

State Paper Office
- SP29 State Papers - Domestic, Charles II
- SP35 State Papers - Domestic, George I
- SP36 State Papers - Domestic, George II
- SP57 State Papers - Domestic, Warrant Books.

Colonial Office
- CO5 Colonial Office Records - America & West Indies - Original Correspondence.

Privy Council
- PC1 Privy Council Papers
- PC2 Privy Council Registers

Treasury
T1. Treasury Board Papers
T29 Treasury Board Minute Book
Forfeited Estates Commission
FEC1. Forfeited Estates Commission Papers

British Library, London:
BL. Add Mss 25499, South Sea Company Papers Directors Minutes 1720.
BL. Add Mss 32777, 32779. Official Correspondence of Thomas Pelham Holles, Duke of Newcastle.
BL. Add Mss 35876, 35879, 36141, 36149, 36226. Hardwicke Papers.

Bank of England Archives, London:
Private Drawing Office Ledger No 45.

Library of the Inner Temple, London:
Inner Temple Mss Vol 5 No 10. Proposal to the Society of the Inner Temple of the York Bldgs Co. 17 February 1737.

Metropolitan Water Board Archives, London:
53/2 Proposal from York Bldgs Co. to New River Co. 1729.
Deed No 2053. Deed of Arrangement between York Buildings Co and New River Co., 16 September 1818.

Bodelian Library, Oxford:
Gough Mss Somerset 7 ff 335-339
Papers Relating to York Buildings Co.

Scottish Record Office, Edinburgh:
Gifts and Deposits
GD1/170 York Buildings Co. Papers
GD 18 Clerk of Penicuik Mss
GD 171 Forbes of Callendar Mss
GD 248 Seafield Mss
GD 345 Grant of Monymusk Mss

Forfeited Estate Papers 1715

Court of Session Papers
Unextracted Processes
CS181/1438 Cameron v York Bldgs Co. 1741
CS228/G2/27 F. Grant v. York Bldgs Co. 1744.
CS228/Y1/38 York Bldgs Co. v Carnegie
CS230/Y11/18 Bludwick & Ors v York Bldgs Co.
CS232/Y11/1 York Bldgs Co. v Annuitants
CS232/Y11/13 Petn. of Sir Michael Bruce 1791
CS232/Y11/52 York Bldgs Co. v Cameron
CS232/Y11/58 York Bldgs Co v Campbell
CS232/Y12/2 York Bldgs Co v Douglas Heron & Co. 1783

CS232/Y13/2 York Bldgs Co v Grove & Ors 1782.
CS232/Y13/3 York Bldgs Co v Grant
CS232/Y14/2 York Bldgs Co v Hopetoun
CS234/Y2/3 York Bldgs Co v Portland 1811.
CS237/Y1/11 York Bldgs Co v Phillips

Bill Chamber Processes
CS271/9756 Answers for John Russell.
CS271/19878 York Bldgs Co v Richard Graham 1739.
CS271/41215 Boyd v Annuitants of York Bldgs Co. 1758.
CS271/41541 Fordyce and Campbell v Baillie, 1725.
CS271/52438 York Bldgs Co v Telphord, 1734.

National Library of Scotland, Edinburgh
Mss 1506 Delvine Papers
Mss 16534, 16541 Fletcher of Saltoun Papers

Edinburgh University Library, Edinburgh
Laing Mss.

Royal Bank of Scotland Archives, Edinburgh
Minute Book of Court of Directors
Journal F.G.H.

2. PRINTED ORIGINAL SOURCES

a) Collections of Documents

Calendar of State Papers Domestic Series 1663-64.

C.T. Carr (ed) Select Charters of Trading Companies Ad 1530-1707, Selden Society Publications, Vol. 28, (1931)

Patents for Inventions: Abridgements of Specifications relating to Air, Gas and other motive power engines Ad 1635-1866, (1873).

Report of Historical Mss Commission of the Mss of His Grace The Duke of Portland preserved at Welbeck Abbey, Vol III.

b) Parliamentary Papers

Acts of Parliament.

2 & 3 William and Mary c.24
3 William and Mary c.37
4 Geo.1. c.8
6 Geo.1. c.24
8 Geo.1..c.2.
17 Geo.3. c.24.
10. Geo. 4.c.28

Parliamentary Reports

Report from the Committee appointed to inquire into, and examine the several Subscriptions for Fisheries, Insurances, Annuities for lives, and all other Projects carried on by subscriptions in and about the Cities of London and Westminster, and to all undertakings for Purchasing Joint Stocks, or obsolete charters (1720) (HCJ Vol.19 pp 341-351)

Special Report from the Committee appointed to inquire into, and examine the several subscriptions for Fisheries, Insurances... (1720) (BL357.b.3/30).

Report from the Committee appointed to inquire into the project, commonly called the Harburgh Lottery, and all other foreign lotteries, now carrying on in the city of London (1723) (HCJ, Vol. 20pp 115-125).

Further report relating to the Charitable Corporation (1732) (RHC Vol.1 pp 365 - 442)

Report relating to the Charitable Corporation (1733) (RHC Vol 1 pp 539-580).

Report relating to the York Buildings Company (1733) (RHC Vol.1pp 583-599)

Report relating to the York Buildings Company (1733) (HCJ Vol. 22,pp 172-198)

Report relating to the York Buildings Company (1735) (*RHC* Vol 1 pp. 657-685).

Further report relating to the York Buildings Company (1735) (*ibid.* pp. 689-707).

Report relating to the York Buildings Company (1745) (*HCJ* Vol 24 pp. 821-822).

S. Lambert (ed) *Sessional Papers of the House of Commons in the Eighteenth Century*, Vols 7 & 14.

Journals of the House of Commons.

Journals of the House of Lords.

c) *Legal Records*

Court of Session Papers in the Signet Library, Edinburgh

2;23	York Bldgs Co v Adams 1737.
12;37	Grant & Garden v York Bldgs Co., 1747.
14;1	Campbell v Crawfurd, 1753.
38;19	Annuitants of York Bldgs Co. Factor v Errol,1759.
42;34	Grant v Ouchterlony, 1747-1752.
89;1	York Bldgs Co v Carnegie, 1764.
160;1	York Bldgs Co v Feuars of Tranent, 1771-1772.
160;4	York Bldgs Co. v Walsh & Ors, 1778.
185;1	York Bldgs Co v Mackenzie, 1791.
191;23	Grant v Tyrconnel & Shergold, 1780.
212;2	York Bldgs Co. v Edmonstone, 1798.
223;56	Petn of J. Bremner, 1803.
231;21	Mackintosh v Robertson, 1805.
258;179	Report of Common Agent, 1791.
278;1	Taylor v Swinton, 1812.
328;1	Crs. of York Bldgs Co v Bremner, 1813.
340;4	Taylor v Swinton.
396;29	Petn. of E. Dayrell & J. Gibson, 1798.
400;60	York Bldgs Co. v Edmonstone, 1794.
404;46	York Bldgs Co. v Stewart, 1799.
423;12	Cadell v Anderson, 1801.
423;13	Cadell v Vallanage, 1801.
423;28	Waterworks Bond Crs. v York Bldgs Co., 1801.
428;23	York Bldgs Co. v Pereira, 1801.
453;22	York Bldgs Co v Pereira, 1803.
455;16	York Bldgs Co v Pereira, 1803.
470;7	MacKelcan v Lloyd, 1806-7.
492;22	Lane v Taylor, 1816.
492;67	Bremner v Lousada, 1816.
557;40	Bank of Scotland v Keith, 1820.
575;11	Report of Wm Molle, 1820.
F7;16	Campbell v Murdoch & Graham 1741.

F23;12 Norfolk v York Bldgs Co., 1742.
F29;24 Delavalle & Ors v York Bldgs Co., 1783.
F32;18 York Bldgs Co. v Lord Advocate, 1777.
F32;18 York Bldgs Co. v Keith, 1777.
F32;54 Thriepland v Walsh & Ors., 1779.
F32;54 Fordyce v Walsh & Ors, 1779.
F34;7 Grove v Hopetoun, 1785.
F34;13 Grove v Grant 1785.

House of Lords Record Office, Appeal Cases.
Norfolk v York Bldgs Co. 1742.
York Bldgs Co v Norfolk 1764.
York Bldgs Co v Elphinstone 1786.

Guildhall Library, London
Information for D. Campbell, 1765.
Report of Archibald Swinton, 27 Feb. 1809.

National Library of Scotland, Edinburgh
York Bldgs Co. v Ferguson of Pitfour.

d) Newspapers.
Applebee's Original Weekly Journal.
British Journal.
Castaing's Course of the Exchange and Other Things.
Daily Courant.
Daily Journal.
Daily Post.
Edinburgh Evening Courant.
The Evening Post.
Flying Post.
Gentleman's Magazine.
London Evening Post.
London Gazette.
London Journal.
Mist's Weekly Journal.
Post Boy.
Read's Weekly Journal.
Weekly Journal or British Gazeteer.
Weekly Journal or Saturday's Post.
Whitehall Evening Post.

e) Contemporary Pamphlets.
Articles of Agreement between the...Copper Miners... and the Chambers Jnr etc. (1725)
The Case of Mr. Ashley, (1735).
The Case of the Charitable Corporation, (1731-32).

The Case of Sir Archibald Grant, (1732).

The Case of the Trustees of the Harburgh Lottery (1723)

The Case of Samuel Horsey, (1733).

The Case of George Jackson, (1735).

The Case of the Proprietors of Stock of the York Buildings Company, (1733).

Estates of Directors of the Charitable Corporation (1733).

A Letter from a Citizen to J B Esq., Member of Parliament; Relating to the York Buildings Company's Affair).

A Letter from a Gentleman at Edinburgh to his friend at London.

List of Proprietors of the Charitable Corporation (1731)

List of Proprietors of the Mine Adventures of England (1730)

List of Shareholders in the Sword Blade Company (1721).

List of Members of the York Buildings Company (1735).

Lord Viscount Barrington's Case in Relation to the Harburgh Company and the Harburgh Lottery (1723)

Reasons against the Bill now depending in the House of Lords,(1735).

Remarks upon the Cases of the Governor and some of the Assistants of the York Buildings Company, (1735).

Report of the Gentlemen appointed by the General Court of the Charitable Corporation, (1732)

Short Abstract of the Hon. Col. Samuel Horsey, Governor of the York Buildings Company, His Speeches at their General Courts.

A Short History of the Charitable Corporation from the date of their Chartor to their late Petition, (1732)

A Speech on the Question that the Project called the Harburgh Lottery is an Infamous and Fraudulent Undertaking, (1723).

3. UNPUBLISHED THESES.

A.R. Buchan, The Port of Peterhead to 1980, Univ. of Strathclyde, M.Litt., 1978.

E.D. Hyde, The British Fisheries Society; Its settlements and the Scottish Fisheries, Univ. of Strathclyde, Ph.D.1973.

J.S. Shaw, Civic Leadership and the Edinburgh Lawyers in Eighteenth Century Scotland, Univ. of Stirling, Ph.d.1979.

C.A. Whatley, The Process of Industrialisation in Ayrshire, Univ. of Strathclyde, Ph.D. 1975.

4. SECONDARY SOURCES.

a) Articles

I.H. Adams, "The Salt Industry of the Forth Basin", Scottish Geographical Magazine, Vol. 81, (1965)

Anon. "An Early Scottish Development Corporation, "Three Banks Review, No. 20 (December 1953)

Anon, "The Royal Bank and the London-Edinburgh Exchange Rate in the Eighteenth Century" Three Banks Review, No.38, (June 1958).

K. Brown, "The First Railway in Scotland, The Tranent-Cockenzie Waggonway," Railway Magazine (January 1938).

J.M. Bulloch, "The Charitable Corporation and its collapse in 1731," [Goldsmith's Library, London - This is a Collection of Newspaper Articles]

K.G. Davies, "Joint Stock Investment in the later Seventeenth century, Economic History Review, Vol. 4, 1952.

J. Ellis, "The Decline and Fall of the Tyneside Salt Industry, 1660-1790: A Re-examination, "Economic History Review, Vol. 33, 1980

A. Forsyth, "Notes on the York Buildings Cmpany in Abernethy, 1728" Transactions of the Inverness Scientific Society and Field Club, Vol. 5.

H. Hamilton, "Economic Growth in Scotland 1720-1770", Scottish Journal of Political Economy, Vol. 6, (1959).

H. Hamilton, "The Failure of the Air Bank, 1772" Economic History Review Vol. 8, (1955-56)

J.M. Lindsay, "Some Aspects of Timber Supply in the Highlands, 1700-1850," Scottish Studies, Vol. 19 (1975)

J.M. Lindsay "The Iron Industry in the Highlands" Scottish Historical Review, Vol. 56, (1977)

W.I. MacAdam, "Notes on the Ancient Iron Industry of Scotland," Proceedings of the Society of Antiquaries of Scotland, Vol. 21, (1886-87)

S.G. Checkland, Scottish Banking, A History 1695-1973, (1975).

L.A. Clarkson, The Pre-Industrial Economy in England, 1500-1750, (1971).

G. Clayton, British Insurance, (1971).

Cobbett's History of Parliament Vol.8. (1801-1806).

K.G. Davies, The Royal Africa Company, (1957)

C.F. Dendy Marshall, A History of British Railways Down to the Year 1830, (1938).

J.T. Desaguliers, A Course of Experimental Philogophy, (1734).

T.M. Devine, The Tobacco Lords, (Edinburgh, 1975).

H.W. Dickinson, The Water Supply of Greater London, (1954).

P. G.M. Dickson, The Sun Insurance Office, 1710-1960 (1960).

- The Financial Revolution in England, A Study in the Development of Public Credit, (1967).

Dictionary of National Biography, Vol. 14.

A.B. Du Bois, The English Business Company after the Bubble Act 1720-1800, (repr. New. York, 1971).

B.F. Duckham, A History of the Scottish Coal Industry, Vol. 1 1700-1815, (Newton Abbot, 1970).

G. Dott, Early Scottish Colliery Waggonways, (1947).

Viscount Erleigh, South Sea Bubble, (1933).

Erskine's Institutes of the Law of Scotland, (Edinburgh, 1871 edn.) 2 Vols.

C L'Estrange Ewen, Lotteries and Sweepstakes, (1932).

A. Fell, The Early Iron Industry of Furness and District, (repr. 1978).

W. Ferguson, Scotland 1689 to the Present, (Pap. ed. Edinburgh, 1978).

W. Forsyth, In the Shadow of Cairngorm, (1900).

M.D. George, London Life in the Eighteenth Century, (Peregrine ed. 1965).

H. Goudy, A Treatise on the Law of Bankruptcy in Scotland, (3rd ed. by W.J. Cullen, Edinburgh, 1903).

P. Griffiths, A Licence to Trade, (1974).

H. Hamilton, An Economic History of Scotland in the Eighteenth Century, (1963).

C. Hart, The Industrial History of Dean, (Newton Abbot, 1971).

A. Hill, Works Vol. 2. (1753).

C.K. Hyde, Technological Change and the British Iron Industry 1700-1870 (Princeton, 1977).

H.S. Jevons, The British Coal Trade, (repr. Newton Abbot, 1969).

A.B. Keith, A Thousand Years of Aberdeen, (Aberdeen, 1972).

B. Lenman, An Economic History of Modern Scotland, (1977).

\- , The Jacobite Risings in Britain 1689-1746, (1980).

M.J.T. Lewis, Early Wooden Railways, 1970).

B. Lillywhite, London Coffee Houses, (1963).

J. Lord, Capital and Steam Power, (2nd ed. 1965).

S.G.E. Lythe & J.Butt, An Economic History of Scotland, 1100-1939, (Glasgow, 1975).

D. Marshall, Eighteenth Century England, (2nd. ed. 1974).

W. Mathews, Hydraulia, An Historical and Descriptive Account of the Waterworks of London, (1835).

P. Mathias, The First Industrial Nation, (1969).

L. Melville, The South Sea Bubble, (1921).

N. Munro, The History of the Royal Bank of Scotland, 1727-1927, (Edinburgh, 1928).

A. Murdoch, The People Above, (Edinburgh, 1980).

Sir A. Murray, The True Interest of Great Britain (1740).

D. Murray, The York Buildings Company, A Chapter in Scotch History, (repr. Edinburgh, 1973).

J.U. Nef, The Rise of the British Coal Industry, (1932) 2 vols.

M.L. Parry & T. Slater (eds.) The Making of the Scottish Countryside, (1980).

P.L. Payne (ed.) Studies in Scottish Business History, (1967).

S. Pollard, The Genesis of Modern Management, (Pelican ed. 1968).

A. Raistrick, Quakers in Science and Industry, (Newton Abbot, 1968).

H.E. Raynes, A History of British Insurance, (2nd ed. 1964).

W. Rees, Industry Before the Industrial Revolution, (Cardiff, 1968) 2 vols.

R. Robert, Chartered Companies, (1969).

J.C.T. Rogers, A History of Agriculture and Prices in England, Vol. VII, (Oxford, 1902).

L.T.C. Rolt and J.S. Allen, The Steam Engine of Thomas Newcomen, (1977).

W.R. Scott, The Constitution and Finance of English, Scottish and Irish Joint Stock Companies to 1720, (Repr. Gloucester, Mass., 1968). 3 Vols.

R. Sedgewick (ed.) The History of Parliament: The House of Commons, 1715-1754, (1970) 2 vols.

Sir John Sinclair (ed.) The Old Statistical Account, (Edinburgh 1791-8), Vols.

T.C. Smout, Scottish Trade on the Eve of the Union, (Edinburgh, 1963)

- , A History of the Scottish People, 1560-1830, (1969).

Stair Society, Introduction to Scottish Legal History, (Edinburgh, 1958).

H.M. Steven & A. Carlisle, The Native Pinewoods of Scotland, (Edinburgh, 1959).

B.E. Supple, The Royal Exchange Assurance, A History of British Insurance 1720-1970, (Cambridge, 1970).

J.A. Symon, Scottish Farming Past and Present, (Edinburgh, 1959).

E.G.R. Taylor, The Mathematical Practitioners of Hanoverian England, (Cambridge, 1966).

E.P. Thompson, Whigs and Hunters, The Origins of the Black Act. (1975).

I. Whyte, Agriculture and Society in Seventeenth Century Scotland, (Edinburgh, 1979).

E.N. Williams, A Documentary History of England, Vol. 2 1559-1931, (1965).

C. Wilson, England's Apprenticeship 1603-1763, (1965).

- , Anglo-Dutch Commerce and Finance in the Eighteenth Century, (repr. Cambridge, 1966).

- , Mercantilism (Hist. Ass. Pamph. repr. 1971).

B. Woodcroft, Alphabetical Index of Patentees of Inventions 1617-1852, (repr. 1969).

T. Wright, England Under the House of Hanover, (1848), 2 vols.