THE ORGANIZATION AND PRACTICE

OF BANKING IN CORNWALL, 1771-1922

MOTIVATIONS AND OBJECTIVES OF CORNISH BANKERS

Submitted by John William Dirring to the University of Exeter as a thesis for the degree of Doctor of Philosophy in Cornish Studies, May 2015

I certify that all material in this thesis which is not my own work has been identified and that no material has previously been submitted and approved for the award of a degree by this or any other University

[Signed] JOHN DIRRING

Abstract

The subject of this study is the period of independent banking in Cornwall, from the formation of the Miners' Bank in Truro in 1771 to the absorption of Dingley's Launceston Bank by the National Provincial in 1922.

Undertaken within the perspectives of the `New' Cornish Studies, it aims to provide an assessment of the objectives, strategies, and operational decision-making of banking institutions in Cornwall. A comprehensive analytical narrative of their development forms the core of the study, building on the existing literature and augmented from a range of fragmentary primary and secondary sources, much of it from family archival papers. The nature of this material, and the general lack of quantitative financial data relating to individual institutions, has made a qualitative sociological approach the most appropriate. With the careers of individual bankers predominant, the narrative is also strongly biographical in content and emphasis. An analytical technique based on thick description has been used to enlarge upon the possibilities contained in the often meagre evidence.

Both the historical narrative and the subsequent theoretical analysis are conducted from a standpoint situated within a Cornish bank; established in Geertzian fashion from the author's own long commercial experience in a traditionally-minded business. This experience is aligned with that of contemporaneous writers on nineteenth-century banking practice.

In similar manner, a theoretical standpoint within the contemporaneous sociological thought of Tönnies and Weber has been adopted, as being the most appropriate to the consideration of the forms of organization under investigation. From this standpoint, the analysis is projected forwards into the growing corporatism and branch expansion of the amalgamation era. This is undertaken through a game-theoretic evolutionary assessment of decision processes; and a consideration of the roles of path creation and path dependency in institutional development.

CONTENTS

List of Tables

List of Figures

Note on referencing

In general, secondary texts and unpublished academic sources are cited using the Harvard system; while primary sources are referenced using footnotes.

Citations of material in the Cornwall Record Office are generally made in the form `CRO (collection name) [item reference] (date)'; fuller details of the collections consulted appear in the References and Bibliography. References to material in other record offices and archives are similarly cited.

British Parliamentary Papers are cited in the form `PP (year) [*short name*]', with full details in the References and Bibliography.

Cross-referencing within this work is generally by chapter or section numbers, Harvard style.

Acknowledgements

Nicholas Webb and colleagues at the Barclays Group Archives in Manchester; the staff of the Cornwall Record Office, Truro; Lynne Vosper and colleagues at the Falmouth Maritime Museum; Margherita Orlando and colleagues at the Bank of England Archive, London; Angela Broome of the Courtney Library, Royal Institution of Cornwall, Truro; Jean Jamieson at the Falkirk Archives, Falkirk Community Trust; the staff of Devon County Libraries, Axminster.

CHAPTER 1

Introduction and research objectives

1.1 Stability and uncertainty, continuity and change

By the middle years of the twentieth century British banking, though macroeconomically challenged, had long since reached and sustained a level of stability that could be taken for granted in the everyday financial transactions of the country at large. This was a faith made possible by the legacy of nearly two centuries of institutional development from small and very diverse beginnings. In the words of the Radcliffe Committee, comprehensively reporting on the workings of the monetary system in 1959, `Individual balances go up and down, depositors come and depositors go, but the total on current account goes on for ever'; to be safely regarded as a `hard core of permanent resources' for modern banks, beyond the command of their `small and insecure' predecessors (Radcliffe 1959, 43). Operationally, many of the features of this mid-twentieth-century banking world, surveyed by Sayers in his *Modern Banking* (Sayers, R.S., 1964), would have been familiar to Walter Bagehot in the Lombard Street of a century earlier (Bagehot 1999 [1873]); writing in an era when banks were beginning to assume their familiar modern form, and were discarding their earlier and riskier functions and financial entanglements, such as the venture capitalism aspect identified in late eighteenth-century country banking by Brunt (2006, 77-88).

The financial world of the early twenty-first century, as analysed by Heffernan (2005), is a world very different to that studied by Sayers, the first edition of whose work had appeared in 1938. The global institutions of twenty-first-century banking remain macroeconomically challenged, now on a worldwide scale; and in the pursuit of profit are necessarily preoccupied with the maintenance of liquidity and the management of risk, with no resources taken for granted. Their scope and reach are such that they have been able to react to financial crises by withdrawing from risky and defaulting investments in developing countries or

depressed urban areas, and expanding into dependable affluent sectors with funds to invest and property for debt collateral – the so-called `flight to quality' in the 1980s (Leyshon and Thrift 1995). Zonal financial exclusion, created by institutional withdrawal from areas offering only high-risk or marginal business, has in some instances nurtured alternative, locally-based financial institutions such as credit unions, operating in microeconomic situations with constitutions derived from social need rather than economic gain (Berthoud and Hinton 1989). These too face issues of liquidity and risk management as they strive for sustainability and growth; outcomes only nominally underwritten by the gradually-loosening concept of a `common bond' between their members (Frame *et al* 2002; Dirring 2007b, 45). On the whole, all financial institutions have to generate organizational sustainability and profitability in uncertain economic, social and political environments: this was certainly the case in the beginnings of banking in Cornwall in the years around 1800.

This study is concerned with the development of banking in Cornwall; from the first establishment of the Miners' Bank as a permanent institution in 1771, to the final absorption of Dingley's Launceston Bank by the National Provincial Bank in 1922. Echoing the Radcliffe Committee, the many and varied banks that came and went, or survived and prospered, during this period in Cornwall might well be regarded as having been `small and insecure'. In common with the many locally-based `country' banks throughout England and Wales (Pressnell 1956), they were typically begun as private partnerships founded entirely on the wealth, skills and reputations of the individual bankers who, risking all, owned and operated them; in an age in which *laissez-faire* and unlimited liability predominated in business and commerce generally – although in banking this predominance was increasingly subject to legislative intervention, intended to promote stability and mitigate against failure. The field of play was different: while extended credit in retail trade was traditional and engrained, based on personal relations and social capital (Finn 2003, 282), the nineteenth century was pre-eminently an age of thrift; in which a very different range of business opportunities was available to financial enterprise. Although for some the need for credit was often exigent, and a frequent resort of the working class in the

perpetual preoccupation with making ends meet (Tebbutt 1984), thrift began with insurances against the financial burdens of sickness, unemployment, old age and death - using the services provided by a proliferation of friendly societies (Johnson 1985, 11-86), as well as the savings clubs in public houses facilitated by the brewers (Mathias 1959, 277-279). The great moral cause of savings came to be promoted by trustee savings banks, and later by the Post Office Savings Bank (Johnson 1985, 89-96): all aimed, long before the advent of the welfare state, at providing financial security against hard times.

There was as yet no mass market for transactional financial services. The transactions of ordinary individuals were not comprehensively conducted through bank accounts, as they are in the twenty-first century. Wages were paid in coin or private banknotes, which then circulated in a localized cash economy.[1] Not legal tender, but acceptable by reputation within the areas in which they circulated, these banknotes were usually the only contact that the average person might have with banking.[2] It was commercial transactions that were based on credit and facilitated by the bill of exchange; and banking, as will be discussed in detail in section 5.4.3, grew out of the transactional needs of business. In the beginning, banks were set up to serve often narrow and closed communities of commercial interest, the members of which had frequently sponsored their establishment to provide very particular financial services to meet their own special requirements (Brunt 2006, 76-77); the prime Cornish example is the Miners' Bank (section 6.2). Banking also developed from the need to channel surplus funds towards investment opportunities. These could offer the steady returns from government stock; or the higher but riskier rewards of untaxed and unregulated free enterprise (Pressnell 1956, 259-266; Brunt 2006, 75-76). In Cornwall as elsewhere, the bankers themselves assumed the appearance of being altruistically self-seeking pillars of their communities.

[1] Payment by other means became illegal following the Truck Act of 1831 (Clapham 1930, 562-564).

[2] See section 5.4.4.2. Against this, Cornish migrant John Bartlett Davies had not seen paper currency before he arrived in Bendigo, Victoria in 1858 (Fahey 2007, 121).

As presented in the secondary literature and by contemporary reportage (Matthews and Tuke 1926, Fitzmaurice 1991), they served as magistrates and Members of Parliament; they acted as treasurers of savings banks, charities, hospitals and other statutory and voluntary bodies; they were prominent in lodge, church or chapel; and generally discharged public responsibilities as a matter of duty and social prestige coupled with commercial gain (Moss 1982, 86 for the West Midlands; Fitzmaurice 1991, 30-31 for Cornwall). Their banks had been established with mixed commercial and political motives, to serve mainly local business interests. As closed private partnerships, without formal public accountability through the obligatory regular publication of balance sheets, they could only be judged through the social discourses of reputation and integrity which established public confidence in their abilities as bankers. The moral and religious bases of emergent middle-class family life gave their accumulating fortunes respectability (Davidoff and Hall 1987, 245-247). For banking, this respectable image is upheld by Sayers in his commissioned history of Lloyds Bank (Sayers, R.S., 1957, 23); but mediated and qualified by Ackrill and Hannah in their account of the progenitors of Barclays: their Quakerism eventually and inevitably became compromised by worldly gain (Ackrill and Hannah 2001, 38-48). The implication of this trend is that respectability was grounded in a religiously-determined morality; which became increasingly secularized and spiritually hollow as the doctrinal bonds were loosened.

Behind the respectability, sharp contrasts can be made. The profuse philanthropy of Angela Burdett-Coutts, made possible by her inherited banking fortune (Heffer 2013, 637-651) is shaded by the fraudulent conduct of the Royal British Bank up to its failure in 1856, and by the prevarication thereafter in reaching a settlement (Taylor 2007). In Cornwall, there was a similar contrast in motives. As examples, the scrupulous integrity of Cordelia Vivian to the end at the Helston Union Bank is to be contrasted with the mismanagement of the rival Helston Banking Company by James Ellis (section 8.6); with the false reputation built up for the St. Columb Bank, prior to its failure in 1866, by the unsustainable high interest rates it paid on deposits (section 8.5); and, at an earlier period,

with the reckless expenditure on electioneering in Fowey from the funds of the North Cornwall Bank (section 6.6.1).

This study thus has two main topics: the organization and practice of banking in the world of nineteenth-century Cornwall; and the motivations underlying the business objectives of the individuals who promoted and managed its institutions. While an investigation of this kind might be conducted with equal facility elsewhere in Britain,[1] the imperatives of sustaining liquidity and managing risk in an uncertain world are more readily apparent in the turbulent Cornwall of the nascent Industrial Revolution and years of political Reform, as portrayed by Rowe and by Jaggard (Rowe 1993; Jaggard 1999). As will be discussed further in chapter 5, life was more uncertain and more adventurous, with the rewards of mining, fishing and shipping hard-won in a hard and distinctive natural environment amid the dark uncertainties and divisive social instability of a country at war, and at several times under threat of invasion (Knight 2014, 251-284). The succeeding decades, leading to the `Reforming Thirties' and `Hungry Forties' of the nineteenth century, were no less turbulent as emigration became a typical and distinctive experience (Payton 1996, 108-112); while the newspapers of later years continued to record storms, shipwrecks, and mining accidents as the commonplace backdrop to everyday living. The stormy maritime environment is frequently recorded by Barclay Fox in his Journal (for example Fox 2008, 120, 136-141).

1.2 Formulation and scope of overall research objectives

This investigation of the banking practices and financial imperatives of nineteenth-century Cornwall will consider its collective mentality. This was shaped by the commercial conditions in which the financial game was played, the structure and operational methods of its institutions, and the social, religious and political culture in which they were conducted.

[1] Davidoff and Hall (1987), in whose narratives bankers in Birmingham and Essex make occasional appearances, demonstrate some of the possibilities; as does the extensive local material assembled by Pressnell (1956).

The underlying research questions to be asked directing the construction of the historical narrative and its analysis thus relate in the first instance to the personal objectives of Cornish bankers, in relation to the organization and operation of the institutions which they managed. In broad terms, this is concerned with the agency of individual actors. In the second place, they relate to how personal ambitions and motivations were constrained or encouraged by the social, religious, political and commercial discourses which shaped the culture. This addresses the nature and determinants of the socioeconomic structures within which individuals operated. Thirdly, they relate to how the resultant managerial attitudes and responses affected the performance, development and ethos of Cornish banking as a whole. This sets the course to be taken by the analysis, which is to follow an evolutionary approach to the investigation of the rationale, exercise and consequences of executive financial choice in Cornwall.

The prime concern of the historically-based investigation which follows is thus with the function, behaviour and priorities of the individual decision-maker: whether acting alone, through partnerships, or within the corporate managerial structure of a joint-stock bank; and often additionally committed to other commercial ventures outside the banking enterprise. This external activity was typical of the earlier years (section 6.1). As well as the organization of the banks themselves, the investigation consequently also has an interest in the intricate interconnectedness of Cornish business through the agency of individual relationships, and its impact on politics and society. Such relationships were particularly manifest on the quayside at Hayle around 1800 (MacKenzie 2007).

There is thus an emphasis on the perceptions and agency of ordinary individuals and of individual managers, the qualitative nature of the choices with which they were confronted, and the socialized processes of decision-making. It will be seen that many managerial decisions, particularly in relation to the granting of credit, were qualitatively dependent on personal knowledge and intuitive judgments based on experience – in strong contrast to the systemized credit rating procedures that provided the managerial perspectives of later

periods (Heffernan 2005, 155-169). Moreover, since financial information was not published by the private Cornish banks, and few of their records have survived, purely quantitative assessments of the economic performance of individual institutions are no more feasible now than they were for contemporary observers. Dun, in his comprehensive statistical survey of banking in the United Kingdom in 1876, had to estimate the liabilities of private banks from published aggregated data (Dun 1876, 114-116). Indeed, in the earlier formative period there were no uniform accounting conventions by which the requisite comparative data might have been compiled, even as late as the 1840s; the wealth of the partners in any commercial concern was not necessarily clearly distinguished from the capital of their business (Pollard 1963, 79,91). While sufficient aggregated data are available to facilitate the econometric analysis of macroeconomic issues such as the long-running debate between the `Currency' and `Banking' schools (Nachane and Haketar 1996), this does not facilitate the study of individual, closed, secretive private partnerships (Collins 1984, 43-44); in which secrecy was the virtue that backed the reputations informing the public's judgment on the soundness of banks.

As Brunt argues, any resemblance between modern corporate institutions and their remote predecessors, the country banks around 1800, is superficial (Brunt 2006, 76). Although the evolutionary process was continuous, as seen in narratives such as that of Ackrill and Hannah for the Barclays Group (Ackrill and Hannah 2001), there is an enormous distance between the rational, quantitative financial economics which have shaped the modern banking described by Heffernan (2005); and the socially-embedded, qualitative approach of the nineteenth-century private banker – dependent for prosperity and survival alike on the success of personal relationships and the confidence of the wider community. This confidence was vital in times of economic and social instability. Business communities would publicly rally round their banks on such occasions, as in Truro and Penzance in 1824 and 1825 (section 6.6.2).

The economic and social decisions within Cornish banking were taken in a social and moral field delineated by politics, religion, and the collective

conscience expressed in the discourses of public opinion. These were articulated from the pulpit and in the columns of the newspapers, and realised in the conventions of everyday life. This is seen especially in Truro during the crisis of January 1879, when the news of the failure of the Cornish Bank was alluded to in sermons (Fitzmaurice 1991, 23-24). In England, this social and moral field can be taken as the structural creation of a community-minded, class-conscious and predominately bourgeois culture, bolstered by a rising commercial and social prosperity created largely through the agency of individuals and families, as broadly elaborated by Davidoff and Hall (1987): it can, with some qualification, be similarly conceptualized in Cornwall.

1.3 Standpoint and methodological approach

The present study is particularly intended as a contribution to the wider understanding of the social and economic history of Cornwall; and also to be set alongside the various regional banking studies in the literature which serve to underline geographical distinctiveness and diversity of practice within the emergent British financial system. Some of these are considered in section 2.2.3. It is hoped that the theoretical content of this thesis will form a contribution to the long-term multidisciplinary project that began as the `New Cornish Studies' in the early 1990s, and which *inter alia* aims to critically bring the techniques of social science and the humanities to bear on Cornish issues (Williams, M., 2002). This is not merely a matter of installation and application in a Cornish context. The present writer has argued elsewhere that theory and techniques have to be reconstructed from a Cornish standpoint to suit the application (Dirring 2007b, 8); while Williams has advocated a `methodological pluralism' privileging the most appropriate approach (Williams, M., 2005b, 17-18).

Theory in general, abstract and formalized as it may be, is essentially a product of the time and place of its formulation. This underlying historicity suggests the inherent suitability of contemporaneous theoretical standpoints for the study of

the issues and situations of their day, set within an ongoing evolutionary pattern of development in both theory and practice. As will be discussed below (section 4.1), Tönnies developed his sociological concepts of *Gemeinschaft* and *Gesellschaft* from commonplace behavioural elements, observed in a nineteenth-century societal milieu not unlike the contemporaneous Cornish bourgeois experience (Tönnies 2001 [1887][1]). In the somewhat later formulations of Weber, for whom the theoretical insights of economic theory `provide the basis for the sociology of economic action' (Weber 1968 [1920], I, 68), the organization of civil society along increasingly formalized lines determines the structure of the economy and the mode of production - whose degree of dominance is thereby attributable to the strength of its organization. This is echoed much later by Granovetter (1985), who sees economic institutions as being socially-embedded; implying that the economy is a subset of society, rather than society being determined by the mode of production (section 4.6; and Dirring 2007a, 249-250).

The comprehensive contemporaneous viewpoints offered by Tönnies and Weber underwrite the general theoretical environment for the present study; informing the analytical language in which its discourse is expressed, and enabling the building of an appropriate situated theory of institutional development. Here, this theoretical standpoint is situated amid the evolving practices, organization, behaviour and mentalities in the banking institutions of nineteenth-century Cornwall. In doing this, it becomes possible to take a long view forward from the beginning; viewing the ongoing decision-making processes that have eventually become metamorphosed in the unfolding financial experiences of Britain and Cornwall in the twenty-first century. A simulation of this behavioural and institutional development becomes a means of understanding the decision-making culture otherwise hidden behind closed doors. This theoretical approach is applied in chapter 10 to gain a deeper understanding of the general course of banking development in Cornwall.

[1] Tönnies' background is described in the introduction to this edition by Jose Harris (x-xi).

To situate such a standpoint inside a bank, reference is made to the anthropological method of Clifford Geertz. He lived and worked in the midst of the cultures he studied, gaining an understanding of their processes from the inside as an accepted `sojourner'. In Bali, following police intervention at an illegal cock fight, he and his wife could have simply pleaded immunity as foreign bystanders. Instead, they ran with the crowd for an alibi. By so doing, they gained acceptance and co-operation in the community he was researching (Geertz 1973, 412-417).[1]

Historical situations, however, can no longer be inhabited from outside in such a way. Instead, the practices, mindsets and mentalities of banking in Cornwall can be entered through an experiential understanding of commercial decision-making processes in general, derived from the writer's own longstanding operational involvement in a modern-day trading environment. This has been with a long-established family merchanting firm, extending credit to sole traders and small family partnerships, with similar concerns to their nineteenth-century predecessors. The empathy between this personal occupational experience and the historical seems striking enough to suggest the means of access. The substance of this approach is confirmed by reference to contemporaneous writers on banking practice, whose works were the textbooks of the time. The principal source consulted has been the work of George Rae (1817-1902) of the North & South Wales Bank, a practising banker with many years' experience (Rae 1890; biography in Crick and Wadsworth 1936, 425-435). The degree of fidelity attainable by this means is crucial to the achievement of an authentic representation of Cornish banking, and there is a compelling need to avoid the mere projection of modern and post-modern values, attitudes and mentalities on to a historical backdrop. Analysts `need to refrain … from imposing their own taken-for-granted world on to their object of study' (Pouliot 2007, 364).

[1] This introduction to Geertz, and the methodological approach of the present study, were presented by the writer to the Postgraduate Researchers' Conference in the University of Exeter on 1 May 2012 (Dirring 2012a), and the Institute of Cornish Studies Conference at Penryn on 14 September 2012 (Dirring 2012b).

In further validation of this approach, an intuitive appeal might be made to an apparent underlying common nature of ordinary economic transactions and basic commercial functions, traceable throughout the history of commerce. It is only the institutions and accounting methods, the modes of customary practice, which change. As an example of this timelessness, the collected general correspondence of the firm of Thomas Tilbury, offering a removals and storage service in Westminster between 1812 and 1860,[1] shows the minutae of daily transactions – enquiries, notifications, instructions, complaints, claims – that are also commonplace in modern business; only the mode of communication, from handwritten note to telephone call or email, has changed. This commonality might imply that there is some universal `pre-existing domain of concepts' (Williams, M., 2005a, 99) to be discovered; but social concepts are subjectively constructed, however concrete such a construction appears. There cannot be any *a priori* assumption of rationality (Pouliot 2007, 364); decisions, as the historical narrative in chapters 6 through 9 below shows, were typically pragmatic and often forced by circumstance. Objectivity in analysis, however, requires a standpoint; it `begins from values, and is therefore situated within particular social contexts' (Williams, M., 2005a, 101). In Geertzian fashion, the present study variously takes the particular standpoints of a partner, employee, client, or other participant in a Cornish bank, and visualizes the perceived world as it might have been seen and rationalized by them in the terms of their `situated objectivity' (Williams, M., 2005a, 117-118).

As used by Geertz, the technique of thick description (originating with Gilbert Ryle: Geertz 1973, 6) describes not only the outward appearances of the Balinese cockfight, but also the realities they represent. He begins with a description of the nurturing of the cocks, what they can signify, and the enthusiastic obsession of their owners; followed by the fight itself, brief and bloody.

[1] City of Westminster Archives Centre (Tilbury), TIL1-1013: correspondence with Thomas Tilbury (1812-1860). There were dealings over a wide area, including Cornwall: Everest to Tilbury (boxes via Carne, Falmouth), TIL/249 (6 February 1830); and Gregor to Tilbury (advising draft on Praeds, London), TIL/324 (3 February 1830).

This is accompanied by accounts of the rituals of preparation and the rules and conduct of the match; and then of the larger gambling game, with its elaborate side betting, and deep social ramifications (Geertz 1973, 417-453).

An earlier study by Geertz of rotating credit associations begins with an example in Java (Geertz 1962). After depicting its simple mode of operation, he describes the traditional ethos of co-operation in the community, the mutually-regarded value of its efforts, the integration of credit with the round of religious ritual, the impact of the advent of private property and wage labour, and issues of precedence and trust. In urbanized situations, such credit associations take on a greater economic emphasis; in other countries (where he refers to the work of other researchers), they have a greater complexity, moving away from the `traditionalistic' to more `rational' orientations (Geertz 1962, 260-261). There is no appeal to theory, only a thickening of the description to incorporate greater depth and increasing elaboration – but not endless detail. It is a process of creating `a stratified hierarchy of meaningful structures' (Geertz 1973, 7); assembling sufficient data to enable a comprehensive understanding. Greenblatt, in a literary assessment, views thick description as a method of dealing with embedded, expandable texts; a means of elaborating on fragmentary data (Greenblatt 1997, 18-19). In the present study, a technique of thick description, written from the surviving documentary evidence and scattered references in the secondary literature, is used to reconstruct something of the substance, organization and practice of Cornish banking and its institutional culture. Pouliot outlines a three-stage procedure:

(1) `Recovering the meanings that agents attribute to their reality' (Pouliot 2007, 368-370);

(2) Placing these meanings in `their wider intersubjective context' (Pouliot 2007, 370-372) - in the present case, of comparable banking experiences elsewhere;

(3) Setting them in a wider, objectively-defined historicity – in this study, one of evolutionary development.

Effectively this creates an analytical continuum between subjectivity on the inside and objectivity from the outside - `sobjectivity' (Pouliot 2007, 372-374).

Todd Jones, however, points out difficulties with the Geertzian approach (Jones, T., 2004): in the first place, it is dangerous to generalize from specifics; while the cockfight appears pervasive in Balinese culture, not all Balinese may hold it in the same regard. Rather than hoping to uncover an underlying universality, the aim is rather to discover circumscribed mentalities; restricted to `goal-seeking' groups with `collective group beliefs'.[1] With alternative environmental and behavioural approaches to the discernment of mental states, the application is of `theories of best fit' (Jones, T., 2004, 249 n3, 250-253, 261-262). Overall, this is broadly the approach being adopted in the present study, as will be discussed further in chapter 4.

1.4 Spatial organization: the centre-periphery model

As will be seen in section 2.2, the nature of country banking in England, Wales and Cornwall, set within locally-based trading circuits yet dependent on close London connections, lends itself to an analysis derived from a centre-peripheral model of socioeconomic development; within which a financial system assembled around a metropolitan centre can be more readily understood (although in practice it had a greater network complexity: see Black 1995). Such a model was initially developed for Cornwall by Philip Payton, based on a more general theory in the literature derived from comparable situations across Europe (Payton 1992, 9-17).[2] It enables a picture to be drawn of a Cornish economy standing in, and to be understood within, a British and imperial context. It provides a spatial framework which enables a Cornish standpoint and perspective to be maintained throughout, while keeping the wider context firmly in view. At the local, micro level, actions and processes originating and undertaken within the community can be regarded as endogenous, while those imported or superimposed from outside are exogenous.

[1] David Jeremy has a similar aim in recommending a thickly-descriptive approach to the mentalities of prominent Methodist industrialists (Jeremy 1998, 79).
[2] The concept has found application in other contexts, for example in Fiji (Sofer 1988).

For example, from a standpoint within Cornwall, the issues of notes by Cornish banks (and of tokens by employers and traders) in times of currency shortage can be thought of as the endogenous creation of local money, in default of the deficient exogenous currency of the realm (section 5.4.4.2). The endogenous and exogenous natures of money, subjects of past controversy,[1] have been clearly stated in a historical context by Arestis and Howells (2001, 181-185). Centre-periphery analytical structures provide ways of linking the larger macroeconomic discussion to operational functionality at the local level (Dirring 2007b, 25-27); enhancing analyses such as that of Gurley and Shaw concerning the flows of loanable funds through financial intermediaries in times of institutional growth and credit creation (Gurley and Shaw 1955, 1956). The nature of money and wealth creation in relation to Cornwall is explored in historical terms in sections 5.4.2 and 7.1 below.

1.5 Permeable boundaries

Where Armstrong is arbitrary in the geographical delimitation of a `south-west' region (Armstrong 1937, 1), and where in many other contexts `Cornwall' tends to be taken for granted as a geographical entity bounded by the Tamar (Payton 1992), in the present case a more conscious conception of a `financial Cornwall' is needed. Although Cornish institutions generally kept to their own localities within Cornwall, the Launceston bankers were quick to follow lines of communication eastwards and take up opportunities in Devon towns; while the Tavistock Bank, having regard to the level of economic integration in the Tamar valley (Booker 1967, 13-26), opened agencies in the adjacent east Cornwall mining area (section 8.1).

The London agency system led naturally to greater degrees of integration and eventually to amalgamations, with the Cornish banks staying aloof until a comparatively late date in the evolution of this process.

[1] A working consensus was eventually reached (see Fontana 2007)

Only then did they look even as far as Plymouth in the hope of expansion as opportunities as the mining industry, with which they had been intimately involved, declined. The geographical base of Cornish banking was thus relatively self-contained within the bounds of Cornish economy and society, with a permeable geographical frontier. From the earliest days, transactions naturally followed the trading patterns and network relationships of its proprietors and clients; the Miners' Bank (section 6.2.4) and the Cornish Bank (section 6.3.1.2) had intimate London connections from the very beginning. Through their partners, both also had vital connections with the South Wales copper industry (sections 6.2.7, 6.3.2). The Bolithos likewise had similarly far-reaching interests (sections 6.4.3, 6.4.5). The geographical scope of this study of Cornish banking is therefore that of its institutions.

1.6 Institutional scope

Preliminary research indicates that a wide range of financial services were available in nineteenth-century Cornwall, most readily evident from newspaper advertisements.[1] These proliferate throughout the period of this study. While Boase extends his survey to commercial banks and savings banks, as does Armstrong's analysis (Boase 1890; Armstrong 1937), a closer institutional definition is necessary for the present study, as a focus for both historical narrative and theoretical development.

Heffernan defines banks in the first instance as financial intermediaries that accept deposits as liabilities, and advance loans to create assets. The management of this business has become the core banking activity, in which the prime concerns are the control of risk in lending, and the maintenance of liquidity in paying depositors on demand (Heffernan 2005, 1-5).

[1] Some examples from early 1866: Life Investment, Mortgage and Insurance Co. Ltd. and General Provident Assurance Co. Ltd. (*West Briton*, 5 January 1866, 2); Imperial Mercantile Credit Association Ltd. and Universal Banking Corporation Ltd. (*West Briton*, 12 January 1866, 1); Empire Assurance Corporation Ltd. (*West Briton*, 26 January 1866, 8). All had London addresses and some had Cornish agents. Also the Scottish Equitable Mutual Life Assurance Society (*West Briton,* 16 January 1866, 2): many such advertisements had repeated insertions in successive editions.

The Radcliffe Committee reported that the primary business of the London clearing banks in the 1950s was `the receipt, transfer and encashment of deposits repayable on demand' (Radcliffe Committee 1959, 43); echoing Foxwell's much earlier assertion that this was the original and prime banking function, when `the country clamoured for means of remittance' (Foxwell 1927, 412). Whatever other functions have accrued to them or have been superseded, the fundamental purpose of banks has been and remains the provision of facilities for remittance and transactional liquidity to their clients; providing ready money or other negotiable instruments, either from previously-deposited funds or through loans. This is the prime functional definition of a bank used in this study, which focuses on formally-constituted permanent establishments and their immediate precursors.

The range of institutions covered therefore includes in the first instance the private and joint-stock banks set up as Cornish institutions; and outside banks doing business in Cornwall through their own branches or agencies. The London agency system (section 2.2.2) in general is here viewed from a Cornish standpoint, with detailed analysis confined to its Cornish connections. Other institutions, such as savings banks and friendly societies, though forming a significant part of the financial infrastructure and extending financial services to a wider public, did not offer credit or facilitate transactions, and therefore do not qualify as banking institutions within the present definition. Building societies, so prominent in the modern financial landscape, did not formerly offer transactional banking services, and are also excluded. Moreover, there appear to have been no indigenous Cornish building societies as such. The institution was far more popular elsewhere. In 1913, 44.5% of building society assets were held in northern England, compared to 7.4% in the southern and western counties (Bellman 1933, 11).

1.7 Periodization

Within the period of this study (1771-1922), the 1844 Bank Charter Act might be taken as a pivotal event; which Pressnell regards as a conclusion to the age of

country banking, and Armstrong sees as a convenient beginning of the period in which the banking institutions of the twentieth century began slowly to emerge (Pressnell 1956, 2; Armstrong 1937, 2; and sections 2.1.1 and 2.2.1). In Cornwall, the 1844 Act is less convenient as a milestone in the narrative, watershed though it may be in a broader perspective. This is discussed further in section 5.5, where the structure of the narrative chapters is explained.

Rondo Cameron concurs in regarding 1750 as the `real beginning', when country banks were becoming visible, viable and distinct entities (Cameron 1967, 15). In the spirit of Cameron's time, ideas of `takeoff into sustained growth' (Cairncross 1963) might be used to emphasize the significance of the legislative watershed of 1844, after which expanding industrialization began to have need of banking services on a larger scale, beyond the scope of the traditional private country bank. While this might be true of other areas or the British economy as a whole, the Cornish mining industry, though still prosperous, was beginning its long decline after this date. Expansion was a phase undergone half a century earlier in Cornwall, when it was at the forefront of European industrial development (Pollard 1981, 14).

In terms of the stages of peripheral development in Cornwall which have been identified by Payton (1992) and qualified by Perry (2002) and Deacon (2007), the era of Cornish banking extends across both the second, industrializing phase and the subsequent transitional period which led into deindustrialization, `paralysis' and the cultural reinvention of Cornwall to meet the new challenges of the twentieth century. As will be seen below (section 6.2), the rise of Cornish banking was intimately connected with the great expansionary period of copper mining in the late eighteenth century; while a century later, when amalgamation and limited liability on a much larger scale became the new order of banking in Cornwall as elsewhere, the failing mining and tin smelting industry (with its closely-interlocking connections with banking through the Bolithos; see section 9.5) was also seeking salvation in consolidation and outside intervention. Discourses of financial expediency, which called the institutional paradigm shifts

into being in banking, also reflected the emerging mentalities of adaptation to the consequences of deindustrialization.

1.8 Overall plan of the work

In the next two chapters, the exposition is initiated through a survey of relevant secondary historical literature, both from within and outside Cornwall, setting the experience of banking in Cornwall in its wider economic and social context; both through regional studies conducted elsewhere and through investigations into particular aspects of banking and social organization. The key secondary texts relating to Cornwall are reviewed in some depth. Chapter 4 investigates theoretical perspectives appropriate to the work in general, from which emerge the analytical tools which find application in chapter 10.

The financial and transactional landscapes of Cornwall, and the social and political environment, are discussed in chapter 5; while succeeding chapters 6 through 9 contain the empirical core of the work - a comprehensive chronological narrative, hitherto unavailable, of banks and bankers in Cornwall. Their characteristics are traced through successive epochs in an evolutionary progression of institutional development. This involves a consideration of the social and economic bases of the modes of financial organization, and the standing and effectiveness of institutions in the communities and commercial environments in which they operated. As the *laissez-faire* ethos became increasingly subject to regulation in what had become a collectivising state (Checkland 1964, 375-376; Middleton 2004, 469-479), business strategy in British banking (in common with that of other sectors) generally leaned towards corporatization and limited liability: to reduce and eliminate uncertainties, to facilitate growth, and to deal effectively with ever-larger corporate clients (Matthews and Tuke 1926, 3; Clapham 1938, 201-204; Cottrell 2004, 261-264). The organizational development of the most visible locally-promoted Cornish banks, together with that of the outside institutions operating in Cornwall, is

traced up to their ultimate absorptions into the familiar corporate financial institutions of twentieth-century banking in Britain.

Further and more particular topics investigated within the constructed narrative include the intimate connections between banking and the mining industry, and between finance and politics. A resolution is offered of particular historical issues, such as the tardy adoption of joint-stock limited liability, and the slow penetration of Cornwall by outside banking firms. Chapter 10 provides an evolutionary analysis of the institutional development of banking in Cornwall; and concludes the work with a brief consideration of the implications for comparable institutions in twenty-first century finance.

CHAPTER 2

Banking in Cornwall: sources, contexts and perspectives

This chapter reviews the work of previous writers in the subject area of the present study, with consideration being given to the form, methodology and content of the most significant and useful contributions. Works relating wholly or in part specifically to Cornwall are dealt with in section 2.1, and the wider contexts and perspectives of country banking in section 2.2.

2.1 Works relating to banking in Cornwall

2.1.1 Banks and banking personalities in Cornwall

The initial task of the project is the identification in their context of the many and varied Cornish banks, together with the personalities who owned and managed them: and the individuals who, in the formative years, engaged in banking transactions as part of their wider commercial or legal activities; eventually becoming full-time bankers through the increasing specialization of their business. An authoritative summary is provided by the comprehensive listing of banks and bankers included in the *Collectanea Cornubiensia*; a densely-packed compendium compiled by George Clement Boase (1829-1897),[1] and long regarded as a standard point of reference for Cornish biographical and historical matters generally (Boase 1890, cols. 1328-1349).[2] Arranged by location, this listing gives locations and opening dates of banks, branches and agencies; details of partners and managers; and some published financial information for joint-stock concerns. There are omissions; a more comprehensive listing, with additions from other sources, is given in section 6.1 (Table 6.1).

[1] Boase had been employed in banking himself, with the Penzance Bank between 1844 and 1846, and with Ransom & Co in London from 1850 to 1854 (Courtney rev. Banerji 2004).

[2] The work has a columnar arrangement, which is used instead of pagination for reference.

For the principal and better-documented undertakings, Boase provides brief historical notes. In some cases the entries are referenced to newspapers, journals, and older local historiography. This is especially the case with failed banks, where a major insight into banking practices is gained from liquidation proceedings, which received extensive press coverage and laid bare the deficiencies in management and strategy which led to failure. However, Cornish banking predates the establishment of the first newspaper published in Cornwall, the *Cornwall Gazette and Falmouth Packet* in 1801; this was the precursor of the *Royal Cornwall Gazette* (Elvins 2001, 147). Although the *Sherborne Mercury* circulated in Cornwall before this, it makes little mention of financial matters. The entries relating to the earliest period are perforce compiled and interpolated from unidentified sources, including what amount to handed-down oral traditions. Hence surviving private archival documents, now in the public domain but unavailable to Boase, tend to challenge as much as support his narrative.

In his introductory comments, Boase regards it as being a timely compilation, as the year of its publication saw the wave of mergers which swept away the separate identities (and much of the accessibility and openness) of many of the Cornish banks (Boase 1890, col. 1328). He thus offers a survey of the Cornish financial world on the eve of a major historical moment in its development. With qualification from primary sources, a rearrangement of the data he provides has been used here as a foundation for the historical narrative in chapters 6, 7, 8 and part of chapter 9.

The 1890 mergers created the Consolidated Bank of Cornwall, which in turn became absorbed by Barclays in 1905 (section 9.5). For the banks involved, the information derived from Boase is augmented and continued by the predominantly biographical and genealogical narratives of Matthews and Tuke in their in-house account of the history of Barclays Bank (Matthews and Tuke 1926, 250-272, 351-359). After tracing the careers of its principal officers to date, they continue with ordered descriptions of each and every constituent bank of the group, including those in Cornwall, back to the first beginnings in the

eighteenth century and earlier. Most of the Cornish banks outside this merger ultimately became absorbed in Lloyds Bank; and find a place, with much less emphasis on personalities, in Sayers' officially-sanctioned history of that organization (Sayers, R.S., 1957); an outward-looking counterpart to the valedictory commentary of Matthews and Tuke. The current official history of Barclays is that of Ackrill and Hannah, the opening sections of which are relevant to the present undertaking; their emphasis, like Sayers', is on the development of the amalgamated institution (Ackrill and Hannah 2001, 1-94).

2.1.2 Armstrong's pioneering study

Armstrong's pioneering research into banking in Devon, Cornwall and Somerset (collectively regarded somewhat arbitrarily as the `South West') between 1840 and 1890 (Armstrong 1937) is so far the only comprehensive and systematic academic study which addresses the overall development of banking in Cornwall, albeit within a wider context. It attempts a general regional overview within a wider geographical and socioeconomic framework, with the aim of illustrating how trends in banking as a whole affect one particular area of Britain (Armstrong 1937, 2). Published aggregated statistical data are used where available, to form a convenient and historiographically-conventional framework (after the manner of, for example, Clapham 1930, 1932, 1938)[1] for the narrative and analysis, giving detailed consideration to the Cornish banks alongside their counterparts in the other counties. The periodization is partly determined by the increasing availability of published information after 1844; but more particularly, in Armstrong's view, the Bank Charter Act of that year can be seen as marking the beginning of a long period of modernising institutional development; to the point where, after 1890, banking became regarded in nationwide rather than local terms. Restructuring, amalgamation and corporatization are considered in some depth (Armstrong 1937, 3-37, 60-75).

[1] The present study also makes reference *passim* to this older historiography; in which the perspectives and emphases are different to those of later works, and the underlying issues in country banking can become more explicit.

Comparisons are made between the three counties and with England and Wales as a whole, which tend to emphasize a certain Cornish distinctiveness in banking practice. While the years after 1860 saw the general extension of joint-stock organization and branch banking, Cornwall remained notable for the continuing persistence of private partnerships, with no major restructuring until it became the response to the bitter experiences of 1879. Armstrong explains this distinctiveness as a consequence of the effective close-knit familial interconnectedness of bank ownership and management, which needed no recourse to reorganization or amalgamation until a comparatively late date. In gaining the collective confidence of the clientele, this characteristic effectively diminished the initial impact of corporate outsiders like the Plymouth-based Devon & Cornwall Bank (Armstrong 1937, 26, 47-50, 70). This view accords with later writers like Deacon; who attributes Cornish industrial distinctiveness to the wider interlocking community of mining, smelting, finance and merchanting. Higher levels of risk were acceptable concomitants of what could become deep personal commitments with the chance of high rewards (Deacon 2001, 152-201). As is also evident from other regional studies reviewed below (section 2.2.3), the degree of acceptability of risk was also a defining part of regional identity elsewhere (Anderson and Cottrell 1975; Hudson 1986), and of the country banks themselves (Brunt 2006).

Overall, Armstrong has succeeded in defining the institutional features and broad contours of the financial landscape of Cornwall and the adjacent counties, and broadly indicates the scope and range of the present study. However, while the statistical content enables aggregate structural features to be comparatively quantified, it does not facilitate the penetration of operational decision-making processes within institutions.

2.1.3 Episodes in Cornish banking history

Over the years, articles have occasionally appeared which deal with particular events or sets of circumstances in Cornish banking history. The first of these

was published by C.E. Hicks in the *Banking Magazine* in 1952, and was prompted by the discovery of a bundle of letters relating to the crisis of 1879 (Hicks 1952, 472). A practising banker in Devon (Boalch 1990), Hicks was able to write from an `insider' standpoint similar to that being adopted in the present study. The correspondence discusses possible strategies in east Cornwall for dealing with the consequences of the impending failure of the Cornish Bank in Truro, already anticipated in the banking community (Hicks 1952, 473). Hicks' short article is concluded with a detailed narrative of operations in a branch of the East Cornwall Bank, in the critical days after the failure in Truro (Hicks 1952, 474-475). A weakness from the historian's point of view is that the source material has been anonymised for reasons of confidentiality (Hicks 1952, 472). His earlier account of the bank failures around Plymouth in 1825 (Hicks 1949) relates to events which also had some impact in Cornwall.

The crisis of 1879 is the subject of a much more detailed narrative by Fitzmaurice (1991), who builds an almost day-by-day account of the unfolding events, based on the extensive newspaper reportage, and augmented in thickly-descriptive fashion by a portrayal of the general winter mood in Cornwall at the time (Fitzmaurice 1991, 24, 32); the account is thereby lifted out of the empirical domain into a more discursive treatment. The papers give accounts of the creditors' meetings called by the liquidators, the effects on local businesses and institutions (in particular the mines), and the general drift of public opinion (Fitzmaurice 1991, 27-28, 32-37). In this, the general standing of the banks and bankers in their community becomes apparent. In the present work, the pivotal 1879 episode is dealt with in section 9.1; it is seen as the real start of limited-liability joint-stock banking in Cornwall, marking the beginning of the end of private banking.

The most recent study known to include a Cornish banking narrative is Lewis' biographical account of the fortunes of the Glynn family of Cardinham and the North Cornwall Bank (Lewis 2002). The fortunes of Glynn were enmeshed also with the radical politics in Fowey and the machinations of Joseph Austen in his struggle with the Fowey Corporation; this is related in detail by Keast (1982, 17-

18, 21-27). The narrative of the North Cornwall Bank given in section 6.6.1 is largely based on these two works.

The prominence of personalities is evident from a reading of the more general literature on Cornwall's industrial heritage. The essential background to banking in Cornwall is given by Rowe's classic study of *Cornwall in the Age of the Industrial Revolution,* first published in 1953 and augmented with new material in a second edition (Rowe 1993). Also readily apparent is the intricate interconnectedness of individual actors, both in familial relationships and joint business ventures. MacKenzie's study of the mine merchants of Hayle (MacKenzie 2007) uncovers a dense web of connections joining bankers to industrialists. Some of the strongest personalities in Cornish banking were women; Cordelia Vivian has already been mentioned in Chapter 1 as an exemplar of disinterested financial commitment to the bitter end of her embattled bank (section 1.1). They are considered in this study in the context of their respective institutions; and are placed in their wider context in Dawes and Selwyn's biographical study of women in banking, covering England, Wales and Cornwall as a whole (Dawes and Selwyn 2010). The subject is considered further in its familial context in section 3.1.

Lastly, a considerable range of somewhat transient secondary material available on the Internet can be regarded as somewhat `folkloric' in content, in that it is for the most part uttering received discourses, unreferenced and unauthenticated, and intended to be taken at face value by a sympathetic audience. They include self-published writings, guides and histories placed on parish and heritage websites, and the extensive researches of family historians. In some cases, they contain the only known reference to important details; or by suggestion open gateways to new avenues of research. The various sites accessed are listed at the end of the References and Bibliography section. The policy adopted for their use here is to qualify by corroboration wherever possible; and to cite more authoritative sources if they become available.

2.1.4 Archival sources

The material surviving in the archives of the ultimate successors of the Cornish banks (Barclays, Lloyds and Royal Bank of Scotland) is erratic in its provenance. As Pressnell observes, the great mass of official correspondence, confidential but mundane, has generally not been preserved; while many transactions conducted privately by partners went unrecorded in the bank's accounts (Pressnell 1956, 3). Of the formal banking records, minute books have proven most useful for this study; but represent a bare formal and selective record of decisions and actions taken, without necessarily recording the deliberations behind them. The `minute book' of the Miners' Bank under the Rodd partnership [1] merely records each annual meeting (convened between the partners chiefly for the formal determination of the annual dividend) in a single sentence or paragraph (section 6.2.5). This document is an example of the fortuitous incidental survival of material in the collections of private papers deposited in the Cornwall Record Office and elsewhere. Another is the most significant document relating to Cornish private banking, the 1771 partnership agreement for the Miners' Bank [2] (section 6.2.2). Lewis (2002) builds up *inter alia* a picture of the Glynn family and the North Cornwall Bank (section 6.6.1) from material in the Cornwall and Isle of Wight Record Offices. However, Glynn was a public figure, his affairs calamitous and the subject of litigation. Records of the transactions of most of his more settled contemporaries are comparatively much fewer, and from their very ordinariness are in themselves inconsequential; their significance is contextual as part of a larger pattern.

The other major primary sources employed have been the two main Cornish newspapers, which are introduced in section 3.4. Alongside these are the three principal nineteenth-century banking journals: the *Circular to Bankers* (from 1828), the *Bankers' Magazine* (from 1844), and the *Journal of the Institute of Bankers* (from 1879).

[1] CRO (Willyams), W78: Miners' Bank `minute book' (1794-1806).
[2] CRO (Buller), BU/431: Agreement Quinquepartite (21 September 1771).

Published in London, these have limited direct relevance to Cornish matters (except where specific information augments local newspaper reportage); they provide a wider comparative picture of country and joint-stock banking, as well as macroeconomic financial matters. The same comment applies to the minutes of evidence in the reports of parliamentary Select Committees. Evelyn Thomas' work (Thomas, S.E, 1934a) is essentially a close commentary on these reports, and the legislation informed and generated by them.

2.2 Country banking: the wider context

2.2.1 Origins and development of country banking

The chronologically-arranged spatial picture of banking in Cornwall compiled from Boase (1890), and which is elaborated by the more specific works mentioned in section 2.1.3, can only be more fully understood by setting it in the context of the emergence of country banking as a whole. Leslie Pressnell's *Country Banking in the Industrial Revolution* (Pressnell 1956); was the first comprehensive assessment of the origins, development, functions and scope of the country banks up to 1844, and remains the definitive account. Emphasizing the significance of locally-based financial services in economic development (Pressnell 1956, 1), he creates an overall picture of the very varied experiences of banks throughout England, Wales and Cornwall, drawing on a variety of primary source material and assorted local studies, both antiquarian and academic. As well as bank archive material, incidental and fragmentary references from a wide range of sources relating to the users of banking services have been `lightly sampled' to provide indicative data (Pressnell 1956, 3).

Working within the same established practices of economic history writing as Armstrong (section 2.1.2), Pressnell sets `boundaries of convenience rather than precision' in choosing 1750 and 1844 to delimit his study of country

banking within the `classical' Industrial Revolution. Country banks in the 1750s were beginning to play their part in the `financial revolution' which accompanied industrialization; while the Bank Charter Act of 1844, by regulating their issues of bank notes, effectively legislated for their ultimate demise as note issuers. A significant nodal point punctuating this era is formed by the crisis years of 1825-1826, one outcome of which was the beginning of joint-stock banking outside London. The pace of development was already quickening in the 1840s, as the expanding railway network expanded market horizons and shortened the length of credit required to finance commercial transactions (Pressnell 1956, 2).

Dealing with the origins and growth of country banking, Pressnell examines the *agency* of individuals engaging in and pioneering the banking function, and the capital and economic standing necessary for the conduct of the business. There was a wide and diverse range of occupations and professions whose business activities could lean towards banking; at first perhaps with a casual transaction or two, then as a sideline which for some led to specialization as they turned themselves into full-time bankers (Pressnell 1956, 13-14). Country banks as transactional facilitators may be regarded as endogenous local responses to the structural economic conditions of the times, not least the poor condition of the money supply before 1820. In the present study, these features are examined in relation to the Cornish experience in sections 5.4.3 and 5.4.4.

A picture of the *structure* of banking is pieced together from a long succession of specific examples of transactions between London and country banks, including some from Cornwall (Pressnell 1956, 106-107): from which intricate picture the patterns of an evolving London agency system emerge (see section 2.2.2 following). Also constructed in the same way, from extensive but fragmented data, are *operational* descriptions of how the enumerated banking functions were carried out (providing means of payment; maintaining the money supply; sourcing funds; advancing credit; financing industry, agriculture, trade, and public bodies; placing investments for clients). These long and comprehensive descriptions form the central core of Pressnell's work.

The nature and issue of bank notes is dealt with at some length (Pressnell 1956, 136-159; and section 5.4.4.2 below). Regarding the sourcing of funds, his purpose is a portrayal of the `normal' determinants shaping their availability. This involves assessments of the likely capital of a country bank, and the sizes and possibilities of deposit accounts and the spread of the banking habit; there is a comprehensive survey of the occupational categories which became bank users (Pressnell 1956, 225-249). The growing importance of the banks as `channels for investment' is emphasized; particularly for the `average country investor' who lacked access to alternative outlets (Pressnell 1956, 259-264). The advance of credit is considered on a procedural basis, with particular and extended reference to the practices of the early Cornish Bank (Pressnell 1956, 309-314). The particular source used for this data, the Cornish Bank's first Order Book (minutes of partners' meetings), is currently lost (Brunt 2006, 94, n72).

The borrowing by partners to finance their own businesses (often the prime reason for setting up the bank) in an unaudited accounting environment is regarded as a moral hazard (Presnell 1956, 289-292). This practice, in a close-knit commercial world of interdependent individual relationships, was however a major source of industrial finance; particular reference is made to Cornish copper mining, where finance was a particular concern of the 1799 parliamentary investigation (Pressnell 1956, 322-323).

For this study, Pressnell offers a rich resource. There is much Cornish data; and ample comparisons available with the particular practices of banks in other areas.

2.2.2 The London agency system: integrating the regional approach

The localizing tendency of Pressnell's analysis led naturally to the later regionally-based approach to the development of banking and finance in Britain. Regional studies through the 1980s and beyond emphasize local differences

and their significance within the wider context. The fading concept of an Industrial Revolution was `rehabilitated' as a regional phenomenon by Berg and Hudson (1992), and in the debate begun by Langton and Gregory on the production of regions and their integration into the wider economy (Langton 1984, Gregory 1988). In terms of economic development, growth is seen as led by particular regions and industries, promoting structural change (Lee, C.H., 1981). A similar regional approach had underlined Rowe's account of the Industrial Revolution in Cornwall (Rowe 1993), the first edition of which had appeared in 1953; and also informs and qualifies the conceptualization of Cornish economic and social distinctiveness underlying the present study. A.H. John and R.O. Roberts among others have done the same for south Wales (John 1950; Roberts, R.O, 1980a, 1980b), enhanced by more recent detailed field work in industrial archaeology (for example Hughes 2008): there was a considerable Cornish participation in the Welsh metal industries by Vivian, Williams, Fox and others (sections 6.2.7, 6.3.2, 6.5).

Pressnell describes *inter alia* the piecemeal evolution of a correspondence network between London and country banks in terms of individual relationships, citing a long series of detailed examples after the general manner of his work (Pressnell 1956, 116-125). From the standpoint of the country bank, the London connection provided a source of ready funds in support of the local commitments, underwriting the bank's liabilities in deposits and note issues. It offered an outlet for the investment of surplus funds in a wider market; and facilitated the transmission of clients' remittances. Above all, it was the lifeline in times of trouble.

Black (1989, 1995 and 1996) adopts a regional approach to study this network as an integral means of capital circulation. He seeks to empirically extend the Langton-Gregory conceptual framework by considering the synergistic role of banking in circulating capital between the regional centres of production; an investigation of `the constitution of correspondence systems in English banking' allows `an exploration of the connections between the circulation of commercial information and the geography of finance capital', without prioritizing the

economic aspects (Black 1989, 366). Eschewing abstract theoretical conceptions of finance capital, he defines it operationally from the nature of the transactional instruments which create it through circulation: bills of exchange, banknotes and cheques. In particular, he discusses the vulnerability of the system to crises through the wide repercussions of the failures of deeply-involved individuals; and the qualitative, pragmatic means by which individual creditworthiness, the acceptability of bills offered for discount, and the notes of other banks were assessed. Black thus offers a structural view while prioritising individual agency, and a means of situating the discursive rationality (section 1.3) of its decision making.

The character of private banking prior to 1826 is attributed to the agency of local initiatives subjected to legislative restrictions in the banking system, in that the six-partner rule limited the size of banks and inhibited the development of branch banking; limitations overcome in part by the growth of the London correspondence system (Black 1996, 113). The very different courses of development in Scotland and Ireland, with fewer and larger corporate banks each acquiring extensive branch networks (Checkland 1975, Munn 1981, Ollerenshaw 1987), is indicative of the evolutionary significance of structure. The weakness of a financial structure based on correspondence and interdependencies at a distance, and the intricate flow of remittances between `small cellular units' became apparent in times of crisis, which exposed the vulnerability of small private banks with illiquid assets insufficient to cover their liabilities (Black 1995, 400) – as happened to the St. Columb Bank in 1866 (section 8.5).

The creation of larger-scale structures is seen to be the product of the agency of many individual transactions, and the pursuit and nurture of personal commercial relationships between individuals (Black 1995, 406-409). Overall, the increasing concentration of financial control in London improved transactional efficiency and promoted the integration of a diverse, regionally-based economy. In later years, this integration would reach its natural conclusion in the growing amalgamation movement (section 9.6.2).

The structured geography of country banking between 1780 and 1825, with its regional hubs such as those at Manchester or Newcastle, is viewed from a metropolitan perspective; showing the strength of the London agency system in supporting the transactional needs of the country banks, a strength emanating from the financial power of the City. The London connections were often created by individual partnerships between City or West End and country; but it was the practical utility and convenience of the London agent in redeeming its correspondent's own notes presented for payment in London, dealing with the agents of other banks, executing orders in the money markets, discounting bills and providing credit, and the gathering of intelligence and information, that developed the business and sustained the relationship (Black 1996, 116-119). This metropolitan perspective is complementary to the Cornish viewpoint adopted in the present study.

2.2.3 The relationships of banking and industry

The foregoing section has set forth the dimensions and some of the features of the wider financial and geographical space in which Cornish banking was conducted. It is also indicative of the scope of its operations and the horizons of its decision makers. After Pressnell, the main body of regionally-based work on banking and finance became closely concerned with investigating the relationship of banking and industry; focusing on the processes of capital formation, whether fixed or circulating, and the structuring of finance through formal and informal networks. Though describing and analysing courses of action taken in different circumstances, comparisons can be made which will illuminate the processes of decision-making in Cornwall.

Outside London, regional capital markets developed in distinctive ways in areas of high investment such as Merseyside; where, in contrast to the Cornish experience, Anderson and Cottrell (1975) emphasize the importance of joint-stock banks after 1836 in attracting funds from investors; and, using surviving share registers, analyse the social composition of the shareholders in Liverpool-

based banks. They show the continuity in local support from the preceding private banks, with large blocks of shares going to former partners and their customers, with abiding loyalties indicated by the low level of subsequent share trading; many purchases were made by existing shareholders. This preserved the independence of many Liverpool institutions as the amalgamation movement gathered momentum. To a degree, this mirrors the much later experience of the Consolidated Bank of Cornwall (section 9.5). On the other hand, the close transactional linkage of Manchester banks to the developing cotton industry before 1850, through the high velocity of circulating capital (Jones, S., 1978), was not paralleled in Cornwall, where there was no equivalence of transactions with the dominant mining industry. The very different character of Cornish mining finance is explored in section 6.2.1.

Anderson and Cottrell also set shares in joint-stock banks in context alongside insurance companies, railway investments and foreign securities as the major outlets for the accumulating savings of the period (Anderson and Cottrell 1975, 598-603, 614). Their general drift is to show overall structural change in bank investment: as bank deposits increased, legislation advanced towards the facilitation of limited liability, and the relative returns from other forms of investment fluctuated. The structural course of banking development on Merseyside is seen as the consequence of the reliance on bills of exchange for transactions, rather than notes; bankers had to have sufficient substance, as `merchants of sufficient wealth and standing', to be able to act as bill brokers; and private banks were few relative to the potential business: transactional banking functions continued to be exercised by manufacturers and traders (Ashton 1945, 25-27; Checkland 1954, 130; Anderson and Cottrell 1975, 605-606).

Crossing the Pennines, the major work on regionally-based industrial finance in Yorkshire is Hudson's *Genesis of Industrial Capital* (Hudson 1986), which is an in-depth study of the industrialization of the West Riding woollen industry. While its prime subject is capital formation, the middle chapters discuss the `web of credit' within which circulating capital was sustained and accumulated; with the

emerging banking institutions considered from the industrial standpoint as suppliers of credit and means of payment. Earlier work by Collins and Hudson (1979) and Hudson (1981) locates the new joint-stock banks established after 1826 within the contrasting expanding economies of Yorkshire and Merseyside, considering their highly-localized share ownership and the business interests of their directors. As in Lancashire, bills of exchange also proliferated in the dense transactional landscape of the industrial West Riding: 90% of trade was being conducted with them by 1832. In contrast to Lancashire, the use of bank notes was also prolific in the late eighteenth century, overcoming the `chronic shortage of exchange media, particularly in low denominations' (Hudson 1981, 380).

These characteristic features to some extent made every trader a banker; and specialist financial intermediaries arose from among them to provide remittance facilities, extending their banking functions further by accepting deposits for investment in their other businesses. Attorneys were a special case; with Miles (1981) providing much operational detail. This illuminates the transactional evolution of banking practices from other activities, and their continuing integration in the wider interests of merchants like the Bolithos in Cornwall (section 6.4). The consequent structure of banking in the West Riding up to 1826 was therefore one of financial institutions with a continuing involvement in manufacturing: banker-industrialists with strongly-localized interests. This industrial involvement continued beyond the gradual introduction of joint-stock organization after 1826. Shareholders, closely involved in the surrounding textile industry with its various and still unintegrated production processes, tended to be resident in close proximity to the bank's offices; the same localized and often familial power groupings simply used the joint-stock company form to extend their control over more resources (Hudson 1981, 381-383).

Hudson continues with an operational analysis of the typical asset structure as the ongoing result of the `trade-off between liquidity and profit' (Hudson 1981, 383). This trade-off was however restricted by the limited opportunities afforded by extreme localization; but the industrial side of the enterprise's operations

could benefit from unlimited inside overdraft facilities, even after the banking arm had been taken over by another bank: it was easy to become over-extended (Hudson 1981, 384-385). In this close-knit commercial structure, continuous and heavy dealings on current account by a bank's customers frequently became the basis of long-term, indefinite overdraft facilities; possibly far beyond the collateral offered as security. This credit could be used in an incremental manner for piecemeal capital investment. Defaults could leave the bank as the owner of the capital assets thus created; but, if involved in manufacturing itself, there would be few problems in the realization of such assets, which were often leased out to other users. The funding of speculative mill building by banks was thus merely an extension of their normal practice; and was continued into the joint-stock era, with creditworthiness still rated in the same liberal way by partners turned directors.

Branch managers, where they existed, were granted considerable autonomy in the early years; and could become equally reckless in their advancing of credit: but it was a recklessness tempered by the `thorough knowledge of customers' affairs' that was `the essential element in loan decisions' (Hudson 1981, 397). As elsewhere, it was usual for overdraft facilities to be automatically granted to shareholders (and became a prime reason for acquiring shares). Insider lending to directors and their family connections was regarded as a safe practice rather than as a moral hazard; the close relationship based on inherent trust was in itself regarded as collateral (Hudson 1981, 386-389). The possibility remained, however, that it would be no more than a continuation of the notion of a private bank set up to indulge the credit demands of its partners and their associates; as was the case with the North Cornwall Bank (Lewis 2002, 54-57). Hudson's exegesis thus uncovers many of the characteristics of country banking practice that will be considered in this study in their Cornish context.

Like the private banks that preceded them, the early joint-stock banks were thus local initiatives set up as adjuncts to other enterprises; this was reflected in their overtly preferential loan policies which sustained network development; indeed, shareholders were expected to open accounts and apply for loans. While

cultivating `mutually-supportive' local relationships, it also contained risk among a known set of borrowers (Collins and Hudson 1979, 71). Whatever institutional rigidities engendered conservatism in bank lending in the later nineteenth century, the experience in the West Riding in the earlier period shows that the locally-based banks of the day all too often overstretched themselves in accommodating the financial demands of their industrial customers; relationships remained close-knit and personal up to the onset of the amalgamation movement (Hudson 1981, 402).

A more narrowly-focused study of bank-industry relations, in regard to the Sheffield steel industry in the middle years of the nineteenth century, is undertaken by Lucy Newton. The emphasis is on the emergence of a tangible regional information network in respect of investment opportunities and creditworthiness, resulting from the proliferation of interlocking directorates (Newton, L, 1996, 68-70); nevertheless, financial integrity had to be maintained through a strict impartiality in respect of lending decisions (Newton, L, 1996, 75). It will be seen below (section 6.3.1.1) that a similar regimen was maintained by the early Cornish Bank.

For Cornwall, conscious network approaches to the study of industrial finance are in their infancy. Lewis' study of copper mining between 1795 and 1830 no more than suggests long-established networks of interest in which individual personalities played a prominent part with mixed motives, `bound together by trust, unwritten rules and accepted standards of behaviour maintained through respect or fear'; outside adventurers from London and elsewhere could find themselves in exclusionary difficulties (Lewis 2006, 173). In his description of the prevalent and customary system of mining finance, he discusses the extended credit given by supplier-shareholders with a vested interest in the continuation of their mine, regardless of its actual productive prospects; the issues of cash flow and capital formation stemming from the operation of the cost book system; and the political connections and conflicts with their divergent agendas and priorities (Lewis 2006, 169-174).

The West Midlands, with its huge diversity of industry, offered a different set of banking opportunities. In his article on private banking in Birmingham between 1800 and 1827, Moss (1982) offers an overview of a further field of comparison with the Cornish industrial experience. He does not describe the commercial landscape as such; but instead discusses the ways in which the Birmingham bankers operated: how they pursued opportunities; how they reacted to changing economic conditions (particularly the postwar slump after Waterloo, and the financial crisis of 1825); how they managed, and for the most part satisfied, the complex demands of the many different trades – each requiring a specialized knowledge: the bankers `had been participants not spectators, tying business to personal commitment and responsibility' (Moss 1982, 90).

2.2.4 The Bank of England in relation to Cornwall

All of the studies discussed above, whether treating of private or joint-stock banks in whatever period, portray individual agents working within structures that were cumulatively and endogenously self-made, as they were in Cornwall. The first outside banking institution to set up in business in the South West, applying very different corporate operating principles, was the Bank of England. From 1826, it had been empowered to set up branches; of which one came to be at Plymouth, thereby having some bearing on financial doings in Cornwall (Clapham 1944, II, 110-115).

The functioning of the branch at Liverpool has been investigated by Collins, `both as a policy instrument of Threadneedle Street and as an addition to the local banking sector' (Collins 1972, 144). While the branches were instrumental in promoting the increasing circulation of Bank of England notes and assisting in the financial transactions of government, they also undertook regular banking business in competition with the local banks in their area; and gathered intelligence on their activities, prospects, and the performance of their note issues: this last was of crucial importance to the Bank as custodian of the gold reserve (Collins 1972, 159; 1989, 507). This reporting function will be seen in

action at the Plymouth branch during the crisis of 1878-1879 (section 9.1). The Plymouth letter books, however, show that there was generally only interest in the fortunes of local banks in times of crisis, as in 1878 and 1879. The letter book for 1877-1882 [1] contains reports on the situations of various banks, which are cited in context in the historical narrative below. The Devon & Cornwall Bank, with its head office in Plymouth, was closest in both geographical and transactional terms, as it used Bank of England notes; followed by the East Cornwall Bank at Liskeard. The other Bolitho bank, far away in west Cornwall, was largely invisible to the Bank's agent in Plymouth.

2.2.5 Organizational and structural themes

The impact of changing modes of organization is illustrated by comparisons with the very different course of banking development in Scotland, centred on Edinburgh and Glasgow, and originating in chartered corporations rather than individual enterprise; such comparisons are made by Checkland (1975), in the course of his detailed narrative account, which discusses operational and strategic issues in some detail for every period. However, at times the changing structures and fortunes of these corporate institutions created circumstances in which individual agents became influentially pre-eminent; the salient example is the Glasgow agency of the Royal Bank of Scotland in the early nineteenth century (Checkland 1975, 196-208). A nodal point in the Cornish narrative was instigated by the crucial failure of the City of Glasgow Bank in 1878, which Checkland places in its behavioural context (Checkland 1975, 469-478), and Acheson and Turner (2008) see as the `death blow to unlimited liability' in banking.

Consequences of the emergence of limited liability in Victorian business and banking are illustrated by its effect on ownership and control in the Irish context (Acheson and Turner 2006). There are other considerations.

[1] Bank of England Archive, C145/9: Plymouth branch correspondence (1877-1882).

These include issues of corporate governance and the separation of control from an increasingly-diluted ownership (Hickson and Turner 2005), the structure of shareholdings and the regulation of share transfers (Hickson and Turner 2003), and free banking and stability (Hickson and Turner 2004).

Irish comparisons have the advantage of clearer-cut simplicity; in Ireland, the structure of banking settled down after 1827 with a small number of joint-stock banks and no private banks (Ollerenshaw 1987, 29), compared with the contemporary Cornish situation of a varied population of small private banks, as related in chapter 6 below. To a degree, banking in Belfast could be regarded as a peripheral activity, with Dublin being the legislative centre; when joint-stock banking was prohibited within 65 miles of London, it was also prohibited within 50 Irish miles of Dublin by counterpart legislation (Ollerenshaw 1987, 34-35). Belfast banks, however, had strong links with Scotland and Merseyside; in particular looking to Scottish banking for their operational model (Ollerenshaw 1987, 2, 34).

The dominant force in British banking at the end of the nineteenth century was the amalgamation movement. In Cornwall, its local and regional impact is best understood in a wider context. Cornish banks, having achieved some measure of consolidation within Cornwall by 1900, thereafter began to be absorbed into much larger external undertakings which themselves were of relatively recent formation (sections 9.5, 9.6). An assessment of `combination', as it was regarded with some disquiet by contemporaries, begins with the measurement of concentration in British banking. This has been addressed by Capie and Rodrik-Bali (1982), who place it in the wider setting of mergers and increasing concentration in British industry as a whole. They consider whether it was the financial sector which took the lead in amalgamations, or whether it was a response to activity elsewhere; whether it was related to swings in the conceptual business cycle; and the relative contribution of mergers and institutional growth to the increasing size of organizations. How this increasing size affected managerial behaviour and strategy, in comparison to their European counterparts, is considered by Cassis (1985); the big strategic issue

after the cessation of hostilities in 1918, as regarded by contemporary writers (Foxwell 1917; Matthews and Tuke 1926, 12-13), was perceived to be foreign competition in an altered post-war global economy.

Other themes have been drawn out by specialized studies. Branching strategy, in the Yorkshire context between 1826 and 1857, is considered by Newton and Cottrell (1998); at a period when it had scarcely begun in Cornwall. Collins and Baker (2001) investigate the changing structure of bank assets over the period 1860-1913, and whether the growing merger movement increased liquidity and restricted credit; identifying 1878 as a pivotal year in this development. Elsewhere, they relate it, in the same period, to the incidence of financial crises and the transition to limited liability - away from a dependence on fixed assets and a vulnerability to withdrawals by private depositors (Baker and Collins 1999). Earlier work by Collins examines the consequences of the 1878 banking crisis; both for liquidity (Collins 1989), and lending (Collins 1990). After offering brief case studies of selected banks across England and Wales for which information is available, he considers liquidity as revealed by aggregated data from published balance sheets, relating it to business cycles in the Victorian economy. In terms of liquidity, he argues that the 1878 crisis had a greater impact on the banking industry than any since 1825 (Collins 1989, 515-525).

2.3 Summary of chapter 2

This extended review of the literature on regional banking has been an exercise in comparative financial landscapes; showing the variety of origins, practice and commercial culture in other areas of Britain, and introducing the theoretical and archival approaches to its analysis. All of the works reviewed illustrate in varying degrees how financial enterprise was adapted to characteristic regional economic structures and spatial organization. The comparisons they offer locate the Cornish experience in relation to alternative sets of circumstances elsewhere. The broad banking functions identified include the operational aspects of assessing and acting on lending and investment opportunities, credit

rationing, and attracting deposits; and business strategy – whether to seek restructuring through incorporation with limited liability, or by amalgamation; or how and when to expand into branch banking, thereby diluting risk by broadening the bases of assets and liabilities. The dominant emphasis in all of the foregoing literature, however, is on structures, whether at the macro or micro level; and on networks and the significance but not the substance of commercial relationships: the individuals who participated in them are not fully visible. Neither is there much discussion of the social embeddedness of economic actions. In nineteenth-century Cornwall, as will be seen, it was personalities that mattered most; individual reputations and integrity were pre-eminently the foundations of credit. The concern of the next chapter is with individual motivations, the development of a banking mindset, and banking as a social construct.

CHAPTER 3

The social and political bases of commercial action

3.1 The rise of middle-class values

In Davidoff and Hall's empirical exposition of the rise of the middle class in England from 1780 to 1850 (Davidoff and Hall 1987), a family-based ethos, determined by the social construction of abiding and rigorously-defined denominational Christian doctrine, forms the main motivation for social and commercial action. Drawing on sources including private diaries, correspondence and household accounts, their investigations are conducted through detailed case studies of households and family enterprise in industrial Birmingham, commercial Colchester and agricultural Essex. They also show the analytical possibilities of a wide range of familial source material. The overall picture presented is of a dualism between the feminine, domestic sphere and the masculine realm of the wider world of formalized transactions outside the household (Davidoff and Hall 1987, 13). The management of the household itself, with a large family, servants and living-in apprentices, was formally structured from practical necessity: expenditure was controlled through the accounts commonly kept by the lady of the house, with varying degrees of rigour (Vickery 2006, 18-29). The deeper involvement of women in business could begin with these domestic accounting and management functions; or with a need to manage their own personal finances. Such household establishments were increasingly affordable as wealth accumulated from industrialization (Davidoff and Hall 1987, 195; Laurence *et al* 2009, 6, 11-12).

A critique of Davidoff and Hall's work in this respect is offered by Vickery, challenging `the overarching historical narrative it seeks to tell' (Vickery 1993, 401), and citing further case studies from other areas to illustrate the diversity of experience; although she recognizes that the sheer maternal effort involved in raising large families committed women to the domestic environment `doubtless

as it had done for centuries' (Vickery 1993, 410). Likewise, Nenadic (2003) emphasizes the need to work outside this `dominant paradigm', and seek understanding through the study of `marginalized … women… active in their own firms' (Nenadic 2003, 626). From the London brewing industry in the 1770s, Mathias (1959, 265-268) relates how Mrs. Thrale, while pregnant, took over the management of their brewery from her speculative, reckless and often inept husband, with emergency funding from family and friends. More examples of diversity, and the variety of opportunities available to women investors, are cited by Green and Owens (2003, 510-512), and of successful businesswomen by Laurence *et al* (2009, 6); while women bankers are surveyed by Dawes and Selwyn (2010). Widowhood, bringing independent means through legacy, could also compromise the `ideology of separate spheres' (Green 2009, 133); a patriarchal regime could become one of matriarchy. Cordelia Vivian ruled both the Pencalenick estate and the Helston Union Bank in her husband's place (section 8.6.3). The present study recognizes that Davidoff and Hall's subject is primarily that of *family* fortunes, discussing both men and women in the familial setting; and approaches their work from a somewhat different perspective, derived from the adopted theoretical standpoint introduced above (section 1.3) and enlarged upon in chapter 4. In the Cornish banking experience, exceptional women played a strong part; the concern of this study is to show how they arose naturally out of their familial and social contexts to respond to altered circumstances.

A picture is painted *inter alia* by Davidoff and Hall of a household engaged in production or trade as a family business, with apprentices who might be from within the family, or co-religionists; these kinds of connection within a community of affinity also provided a ready customer base (Davidoff and Hall 1987, 222-225). The loyalties and obligations inherent in social affiliation were powerful determinants of business behaviour and the making of contracts. The fortunes of familial enterprise could be dependent on the fluctuating prosperity of the immediate community: or businesses could build patronage on commercial success. Transactional involvement in the community through upright dealings deepened trust. In such circumstances, it was possible to

commence banking operations in a very modest way with a small capital; an impeccable strength of character and intimate local knowledge were the greater necessities in a high-risk enterprise with unlimited liability. So too were the diplomatic skills needed to show equal favour to all actual and prospective clients, who might be closely interconnected socially (Davidoff and Hall 1987, 245-247). *Pace* Granovetter (1985), the mode of production or trade was therefore deeply embedded in the social environment; an embeddedness which enhanced integrity and reputation, and conferred status; as will be discussed in chapter 4.

Within this private/public dichotomy, the necessity for earning a livelihood, and achieving prosperity and respect in a challenging, *laissez-faire* environment meant that the individual masculine identity (for it was still generally men who went out from family and household into the world at large) was defined in terms of functional ability rather than job description (Davidoff and Hall 1987, 229). Competence was developed and mobilized in the pragmatic pursuit of opportunity, rather than in the fulfilment of contractually-defined roles within formal organizational structures. Only by degrees did commercial and professional activity become differentiated into separate occupations with systematic educational, training and career orientations (Davidoff and Hall 1987, 229-230); and bankers began to emerge as one increasingly distinct category of professional specialist. Hence the diversity of banking origins observed by Pressnell (1956, 12-41); as anyone with suitable aptitude could take up banking, regarded as merely another trade among many. Cornish instances include William Tweedy's successful career move from civil service employment in London into financial management in Truro in 1802 (section 6.3.2); and Andrew Vivian's extraordinary range of occupations, from engineer through mine management and merchanting to banker (section 6.1.1); it was his general capability, rather than any of his adopted roles, that established his identity and made his reputation.

When women entered the world of formal business relations, they commonly did so as successors to deceased husbands or fathers (Davidoff and Hall 1987,

210). Theirs could be a projection of domestic discipline and adaptable expertise into the realm of commercial responsibilities. There are several examples in Cornish banking, discussed in the narrative chapters below, of whom the most notable is Cordelia Vivian in Helston (section 8.6.3). Prominent in Cornish banking history, they had their counterparts elsewhere; for example Sarah Crickett in Ipswich, Chelmsford and Colchester (Dawes and Selwyn 2010, 79-81; Jones, A.G.E., 1951, 404-405).

In some extended communities, women were expected to take a larger part. Quakers are given particular attention by Davidoff and Hall (1987, 139-140, 86-89, 99-103, 216-217, 137-140); and in the Cornish commercial context, Barclay Fox's Journal provides a valuable `insider' account of family life within the Society of Friends in Cornwall between 1832 and 1854 (Fox 2008). Quakers separated themselves from society at large by dress, speech and social attitudes; such as not showing deference to social rank, and giving women equal opportunity and authority in the Society. Maria Fox and Ann Tweedy were prominent in this respect (Fox 2008, 115-116, 141, 155, 172). Although socially aloof from the wider world, Quakers nevertheless took a leading role in the great reform movements of the times which reflected their moral values (such as the abolition of slavery and prison reform). They were forward in their business dealings; and across England were particularly prominent in banking: the Barclay and Lloyd families both had strong Quaker affiliations (Ackrill and Hannah 2001; Sayers, R.S., 1957, 6, 25). Marriage with outsiders meant leaving the Society; hence the widespread intermarriage between Quaker families, which was facilitated by their intimate but extensive countrywide social network (Davidoff and Hall 1987, 86-89; Ackrill and Hannah 2001, 1-48). The applied Quakerism of the Tweedy and Fox families, with women active in Fox family business partnerships, is more particularly discussed in sections 6.3.2 and 6.5 below.

While firmly-held religious principles could become sharpened into righteous indignation in commercial disputes and confrontations, as in those between Carne and Harvey in Hayle in 1813-1815 (MacKenzie 2007, 66-67), the social

dominance of middle-class values was only gradually realized in the fuller establishment of bourgeois society; with its compartmentalized proprieties of church or chapel, family, and the carefully-delineated behavioural codes of a conventionalized culture. The middle-class values depicted in such detail by Davidoff and Hall became the dominant ethic in a country which, though challenged by social change and growing doubt, nevertheless still regarded itself as `Christian' (Heffer 2013, 135-138); with a public face of respectability expressed in its everyday media and general outlook (section 3.4). Individual stature and social status was measured by these middle-class values; the fabric of society, if not entirely woven from the threads of moral familial discourse, was dyed in its denominational colours. Its values were derived, however loosely, from the pulpit; and its citizens, however nominal their allegiance, claimed denominational affiliation as a matter of form in an age in which religiosity was all-pervasive (Jeremy 1998, 76; Rubinstein 1998, 179).

Bankers in Cornwall, some aristocratic at first, came to be drawn exclusively from this emerging middle-class milieu. James Gilbart, writing in the 1840s, anchored his discourse on the moral and religious duties of bankers firmly to biblical principles, expounded and applied to corporate responsibility (Gilbart 1860 [1849], 387-423). Hard as it was for the rich to enter the kingdom of heaven, a moral space had to be negotiated in which financial enterprise could be justified (Dawes and Selwyn 2010, 51). The Galtons, Quaker bankers in Birmingham, had additionally to justify themselves as gunsmiths, manufacturing and selling small arms as engineering products without endorsing the uses to which they might be put (Smith, B.M.D., 1967). Idealistic mindsets were tempered and compromised by the exigiencies of commercial experience. The relationships between religion, morals, ethics and action was a matter of negotiation within the individual's mindset and conscience; a quasi-resolution of inner doubt into a workable compromise sufficient to maintain respectability and salve spiritual consciences. But the movement was inexorably away from narrower principles. The decline of Quakerism within Barclay circles seemed inevitable, even before 1850, as family members moved to other, more accommodating religious affiliations (Ackrill and Hannah 2001, 40-41).

Later Victorian society, despite a growing scepticism and spiritual indifference (Heffer 2013, 152-251), remained coloured by the ever-deepening hues of formal, respectable, denominational Christianity (for Cornwall, see Deacon 2007, 143). While the religious census of 1851 showed that, across Britain, church and chapel attendance was far from being universal (Royle 1997, 333), later in the century it could still be said for many in business that `the Last Judgment was as real as this week's balance sheet' (Ensor 1936, 138). However, even the most strongly-held religious convictions and behavioural codes were slowly softening through the course of the century, through the creeping scepticism of theological doubt and the challenge of evolutionary theory (Jeremy 1998, 20; Heffer 2013, 152-251). Barclay Fox noted this as early as the 1840s, as the Society of Friends debated the liberalizing of its dress code, and whether the attitude to mixed marriages might be more relaxed (Fox 2008, 141). A literary picture of such a slowly-changing commercial and industrial society, its attitudes and values, is drawn by Arnold Bennett in his *Clayhanger* novels (Bennett 1910-1916). Set in his native Staffordshire and structured around actual local and national events and issues, it portrays the old, doctrinaire, denominationally-determined lifestyle, and its interactions with the slowly-emerging trends toward greater freedom in thought and behavioural innovation – and the moral choices facing individuals and their consequences.

The spiritual and religious background of Cornish bankers was however somewhat heterogeneous; some members of the Tweedy family, but not others, were Quakers (Fitzmaurice 1991, 14; Fox 2008, 124, 141, 155, 172, 364); and Barton cites a telling if possibly apocryphal anecdote about the Williams family's diverse religiosity (Barton 1970, 15; and section 6.3.2). These hints of a more amorphous kind of collective faith suggest that the underlying motivational issues are not satisfactorily resolved in terms of conventional middle-class values transforming the acquisitive, materialistic trait in human nature into a work ethic. Contrary to the received `Weber thesis', the spirit of capitalism is not necessarily linked to spiritually-based ethics in any verifiable manner (O'Brien 1998; Chapman 1995; Rubinstein 1998); Weber himself did not go so far (Waters 1998, 183). To elaborate the simple characterization of altruistic self-

interest suggested in chapter 1 above (1.1, 13), Weber (2001 [1930], 4-22; 1968 [1920], I, 110) can be followed in a different way, isolating basic motivational elements which can come together on either side of the moralistic and materialistic middle-class ethos. These elements include acquisitiveness (whether from avarice or necessity); ambition (whether for profit or prestige); lust for power and social dominance (whether spiritual or temporal); and duty and calling (whether in regard to the stewardship and development of material assets, or the pursuit of spiritual destiny). Business and chapel could provide dual and equally ambitious careers (Jeremy 1989, 71-84). Frameworks of commercial ethics were actually worked out by nonconformists (Pearson 2002, 864); and had long been particularly explicit in the Society of Friends, with its close monitoring of individual business activities (Prior and Kirby 1998, 117-129; Corley 1998, 141). The *operational* ethics of a business partnership were in practice an outcome of negotiation, as will be shown in section 10.1.2.

A polarization suggested by Weber (2001 [1930], 29-32) is between a steady, satisfied kind of living within unchallenging traditional values; and the restless, questing pursuit of improvement and material or spiritual gain. This restlessness is characteristic on the one hand of the spirit of capitalism, and on the other that of a systematic and progressive religious belief with a developed rational scheme of material and social responsibility. In the present context, this contrast is exhibited in Penzance between the comfortable, spiritually-committed and academically-inclined lifestyle of the Boase and Carne families, and the thrusting entrepreneurialism of the Bolithos. For the Carnes, family and personal interests came first; and their energies went into their chapel and scientific involvements more than their banking activity (section 6.4.1). For the Bolithos, business, strongly supported by the development of family relationships, took priority (sections 6.4.3, 6.4.5). Ambitions, objectives and talents were distributed accordingly. This representation, in relation to the characters of bankers, is revisited in section 6.7.1.

A Cornish counterpoint to discourses of emergent middle-class virtue and stability is revealed by Rowe, observing that earlier in eighteenth-century

Cornwall, where John Wesley had been received as a `courageous insurgent against inert traditional institutions':

> … Clergy and people had drifted apart. The individualist assertion of self made men who gained fortunes by mining enterprise set the tempo of a new age … dynamic characters like Sir William Pendarves and John Borlase who seemed to hold nothing sacrosanct that lay in the way of the gratification of their lusts or their hates, and a host of smaller men who pushed themselves forward by fortunate and often sharp speculations.
>
> (Rowe 1993, 32)

The tempo and self-determining tenor of this new age was sustained through three generations of the Williams family of Scorrier; dominating the copper mining of Gwennap, and forcibly going their own way in the banking enterprise of the mid-nineteenth century (Barton 1970, 13-20; and section 6.3).

3.2 Exercise of a `higher' initiative

The first banks had been set up in Cornwall by individuals exercising a considerable pragmatic freedom of action with larger purposes in mind. The first half of the nineteenth century, even up to 1870 or later, might be taken generally as a `heroic' age (Ensor 1936, 136; Heffer 2013, 340-342); and Cornwall was distinguished by its `many brilliant ornaments' (Payton 2004, 180-206). After 1850, their heirs and successors still sought to exercise this degree of initiative, by then in a greatly-enhanced and increasingly-regulated financial world. A new set of values was required, if businesses were to be advanced by corporate means beyond the constraints of private resources and the familial mentality. There was a need to transcend the inherently small-minded compartmentalizations of bourgeois life, to aspire to greater responsibility with its attendant prestige - to find a private yet socialized freedom of thought in a higher moral field in which larger choices could be made.

Burt suggests that one response, in Cornwall as elsewhere, was the rise of freemasonry as a transcendent kind of institution; overlapping and reinforcing

familial, religious and social networks, and standing alongside other `fraternal and benevolent organizations of many different varieties' (Burt 2003, 658; also Davidoff and Hall 1987, 426-427). Freemasonry itself was not new in Cornwall; the Love and Honour Lodge in Falmouth had been established since 1751, with a second, the Love and Unity, dating from 1809 (Gay 1903, 230, 232).

Burt's investigation of freemasonry and business networking in the nineteenth century uses a Cornish case study to illustrate the `opportunities and potential for networking' in masonic connections, with a particular interest in establishing how the `segmented capital market' (the subject of an earlier study; Burt 1998) was sustained within Cornwall: although there were many adventurers from `up country', a large and lucrative part of the total investment in Cornish mining was retained within the county, even as late as 1871; while over a quarter of the shares in the Dolcoath mine, the largest in Cornwall, were owned by just six Cornish families (Burt 1998, 715, 717-718, 727). In the first place, however, he is careful to emphasize that there is `no unequivocal evidence of specifically masonic-based business dealings' (Burt 2003, 659). For present purposes, Burt's study serves to highlight the social connections and attitudes which favoured and facilitated networking in a more general sense.

The organization of the movement was based on locally-focused lodges with regular meetings and global reciprocal connections with all other lodges; a facility of considerable utility in the Cornish diaspora – although in a wider practical sense it was still better to be `Cousin Jack' rather than `Brother Jack'. According to Burt, the masonic mindset was latitudinarian in character; encouraging social mobility within an `acceptance of market relations and property-based authority', with a positive attitude towards innovation. This middle-class egalitarian philosophy, combined with strict moral codes and an obligation of assistance to other Masons, made it `highly "business friendly"' (Burt 2003, 659, 668). Membership, though broadly-based, was by invitation only; while bonding like-minded individuals with similar outlooks and attitudes in contiguous occupations, it could also create social exclusivisms and prejudicial preferences.

Business opportunities were `ever present' within a facilitating institutional framework. Burt emphasizes the underpinning of trust relationships in high-risk industries like mining (and by implication for banking, another risky undertaking); to the extent that trust was based on no mere code of honest conduct and integrity, but was a `matter of identity' for Masons, creating confidences stronger even than familial relations, religious fellowship, political loyalties or business partnerships (Burt 2003, 660, 680-681).

There were thirty operative lodges in Cornwall in the late nineteenth century, following rapid growth after about 1850. Ceremonial occasions and parades provided opportunities for the public assertion of membership, and participation enhanced social prestige and demonstrated respectability (Burt 2003, 666). Some known masonic affiliations in the banking community are shown in Table 3.1. This brief list shows how membership extended down the ranks to meet rising social aspirations. Whatever the actual impact of freemasonry may have been, Burt's analysis uncovers the more general professional mindset that was developing in Cornwall as banking matured as a social as well as a commercial institution.

Table 3.1

Some Masonic affiliations of Cornish bankers

Name	Bank	Lodge	Location
Edward Willyams Carus-Wilson	Miners'	Phoenix	Truro
Thomas Reginald Grylls	West Cornwall	Love and Honour	Falmouth
Major John J. Ross	Penzance	Mount Sinai	Penzance
Edward F. Whitley	[clerk]	Duke of Cornwall	St. Columb

All of these also joined the Cornish Lodge in the City of London in 1890 and 1891.

Source: Burt 2003, 685.

3.3 The political dimension

The political dimension is scarcely touched upon by Davidoff and Hall (1987); yet the strongest ambition of the rising commercial class in Cornwall, as it had been for centuries past, was to stand alongside the landed elite through

investing the profits of trade in property; thereby acquiring the political power and influence which came from owning land. The political development of Cornwall is charted by Edwin Jaggard in his *Cornwall Politics in the Age of Reform* (Jaggard 1999), covering the period between 1790 and 1880.

Jaggard's main concern is to penetrate the surfaces of electoral behaviour to show that, even before 1832, there was a strong reforming interest in political principle and issues on the part of voters, far beyond the `politics of deference' engendered by the system of patronage which controlled the outcomes of elections. In the more egalitarian Cornish society of individuals with a greater independence of thought and action, this deferential relationship could not be taken for granted. The movement for Reform is seen by Jaggard as gaining momentum after 1805, with participation encouraged from farmers, tradesmen and others outside the franchise (Jaggard 1999, 30-47). With the extension of the franchise by slow and incremental stages after 1832, the wider participation of the middle classes in politics gradually became a reality. Principle, applied to the issues of the day, was increasingly becoming the basis of political action (Jaggard 1999, 123-130). Where hitherto bankers had entered Parliament to represent vested interests, they later stood as candidates in the emerging game of party politics on the strength of their standing in their communities. John Lubbock, by then a London banker, represented the proprietorial borough of Bossiney as an outsider in the Edgcumbe interest from 1796 to 1802 (Williams, M.J, 1986; and section 6.2.4); but Thomas Bedford Bolitho stood for St. Ives in 1887 on his own merits, as a familial pillar of the wider enfranchised community in the reformed constituency (section 6.4.3). The exercise of familial political power is considered more generally in section 5.2.

3.4 The social construction of information: newspapers in society

In the nineteenth century, the backbone of public information was the local newspaper, reporting matters of immediate interest and concern; and events including those involving well-known local personalities and institutions in

familiar places (Elvins 2001, 162-165). The detailed reportage, more prolific at times of crisis and controversy, was verifiable in the community. Editors were keenly aware, and sometimes forcibly reminded, of their responsibility for the integrity of the contents; and the effects they might have upon subsequent social and political choices (Elvins 2003, 78). News concerning the remote outside world beyond the everyday horizon was copied in every issue from otherwise unavailable London papers and other sources, and suitably filtered and interpreted through a local lens. To maintain and extend its circulation, a newspaper had to be broadly supportive of the immediate sociopolitical and cultural consensus which defined its readership (Elvins 2001, 165-166), keeping more or less in tune with household aspirations permeated by conventional moral and religious values.

The principal Cornish papers in the nineteenth century, published weekly in Truro, were the *West Briton* (beginning in 1810) and the *Royal Cornwall Gazette* (from 1803); they were political rivals presenting opposite (and to the historian, complementary) points of view; nonconformist and evangelical in tone in the *West Briton,* or Anglican and high Tory in the *Gazette* (Elvins 2001, 146-152; 2003, 71-74; Fitzmaurice 1991, 44). Sampling the papers through the years reveals much detailed information on such matters as the financial arrangements of mines and public bodies (Fitzmaurice 1991, 29), annual general meetings of joint-stock banks and other financial institutions, returns of partners and shareholders in private and joint-stock banks (annual publication of such lists remained a statutory requirement in the 1860s),[1] and the involvements of prominent public figures in the multifarious associations of the period: charitable institutions and agricultural societies; and church, chapel, and masonic proceedings - as well as local politics. The ongoing reportage of these public activities helped to build individual reputations by sustaining images and discourses of respectability.

[1] *West Briton,* 16 February 1866, 8: `pursuant to 7 & 8 Vict, cap. 32'; returns of shareholders and branches for the Inland Revenue – London & South Western Bank Ltd and Devon & Cornwall Banking Company.; an annual event.

However, banking issues only came to the fore when major events such as failures and amalgamations received extended coverage. Public opinion was thereupon voiced by correspondents, and editorial comment was called for, as it was in Truro in January 1879 (section 9.1). A consequence of weekly publication was that in between editions there was no immediate availability of current, authoritative, printed information at crucial moments. Communication otherwise was by word of mouth and hearsay, supplemented by personal or commercial correspondence, as in the letters cited by Hicks (1952).

It was easily possible for factually-based reportage to be quickly supplanted by unsubstantiated rumour as the basis for action. The spatial and temporal constraints on the transmission of information could at times become crucial in the determination of outcomes (Fitzmaurice 1991, 24). The newspapers of nineteenth-century Cornwall, as also those in other times and places, are thus part of the social fabric they describe. Their discourses presented information, or supplanted the lack of it, in ways that could directly become determinants of behaviour. The nature of this involvement suggests that historical interpretation is enhanced by reading through the eyes of their readership at the time, rather than by taking them from outside at some externally-determined face value that would have lacked meaning for contemporaries. This mode of interpretation becomes one means of creating a Geertzian standpoint within the historical experience, to which the depth of reportage helps to provide the requisite degree of thick description.

3.5 Summary of chapter 3

The discussion in this chapter begins the empirical definition of the socially-determined contours of the financial landscape in which banking transactions took place, and in which the executive decisions taken by bankers were made. This process of definition is continued in chapter 5. The representations of Davidoff and Hall (1987), as discussed above (section 3.1), present a settling picture of the making of a social system; which with some not inconsiderable

qualification is also in the main applicable to the Cornish experience. This empirical analysis of the middle-class commercial household with its family enterprise, and the distinction drawn between private and public spheres of action, leads naturally to the theoretical development outlined in the next chapter; where this dualism is conceptualized in theoretical terms derived from Tönnies' *Gemeinschaft* and *Gesellschaft*. Weber's familiar thesis relating the spirit of capitalism to underlying Protestant ethical values, touched upon in section 3.1, is also placed in its larger theoretical context; and in section 6.7.1 is considered further in respect to the character, motivation and careers of bankers.

CHAPTER 4

Theoretical perspectives

4.1 The nineteenth-century socioeconomic viewpoint

The nature of the kind of society within which Bagehot's *Lombard Street* (Bagehot 1999 [1873]) and the country banking described by Rae (1890) operated was, by the end of the century, beginning to be conceptualized and analysed in great depth by writers who were laying the foundations of modern sociology and organization theory. The works of Ferdinand Tönnies (1855-1936) and Max Weber (1864-1920), their theoretical discourses sustained and elaborated from first principles and basic observations, have endured far beyond their own time and place.

Weber's thought in particular ranges over vast historical and cultural fields, as manifest in his *Economy and Society* (Weber 1968 [1920]). However, his legacy has been twofold; historically, greater attention has been given to his more narrowly-defined *Protestant Ethic and the Spirit of Capitalism* (Weber 1992 [1930]), already touched upon above (section 3.1). The received `Weber thesis' is stated as being that `Reformation doctrines and lifestyles were conducive to the accumulation of capital' (Jeremy 1998, 13), with industrial development as the cumulative consequence. There are two main objections: first, that commercial and industrial development is not confined to Protestant Europe and America; second, that it cannot be convincingly demonstrated that the Protestant ethic contributed directly to economic growth in the nineteenth century (O'Brien 1998). However, Weber is not concerned with quantifiable macroeconomic causation, but with individual mindsets and motivations, and the cultural fabric within which business enterprise is conducted (Waters 1998; Weber 1992 [1930], 102-125). The motivational elements mentioned earlier (section 3.1) are not peculiar to a Protestant or even a Christian milieu; their universality allows a more general Weberian understanding of the relation

between culture, ethics and business – useful wherever, as for Cornish private banking, only qualitative assessments are possible (section 1.2).

From Weber's *Economy and Society* (Weber 1968 [1920]), conceptual elements have been abstracted by others for application to organizational issues (Pugh *et al* 1971, 19-24). However, the ensuing theoretical development was aimed in the main at explaining the workings of the complex corporate structures of twentieth-century industrial organization (Pugh *et al* 1971, 36-158, provides an introduction). It therefore becomes appropriate to investigate Cornish banking organization from broad but comprehensively-defined first principles that would have been meaningful to contemporaries. Creating a standpoint and `situated objectivity' within a broad conceptual framework derived from the theory of the day will give an understanding of the contemporaneous socioeconomic milieu on its own terms of reference. Although from such a standpoint the theories of the later corporate era appear to be anachronistic, the embryo features of later corporatism were already becoming visible in the simpler structures of nineteenth-century Cornish banking. Insights from later corporate theory regarding processes rather than structures, such as that relating to the behavioural theory of the firm, and more recently path dependency in organizational evolution, can therefore be selectively and usefully deployed, in the manner discussed in section 4.7.

4.2 From familial relations to business organization[1]

Tönnies' dual concepts of *Gemeinschaft* and *Gesellschaft* are first and foremost descriptors of their own era, reflecting a particular set of social and cultural values and behavioural norms. As with Weber's thought, these are wide-ranging concepts, of which the present application is a particular abstract initially derived from his first simple statement (Tönnies 2001 [1887], 18):

[1] Material from this section was originally presented to an *Ex Historia* symposium in the University of Exeter in February 2013 (Dirring 2013a).

All kinds of social co-existence that are familiar, comfortable and exclusive are to be understood as belonging to *Gemeinschaft. Gesellschaft* means life in the public sphere, in the outside world. In *Gemeinschaft* we are united from the moment of our birth with our own folk for better or for worse. We go out into *Gesellschaft* as if into a foreign land.

Tönnies begins with the ordinariness of the everyday life familiar to him, consisting in the behaviour of individuals within familial relations formalized in the domestic organization of the bourgeois nineteenth-century paternalistic (or matriarchal)[1] household, with its augmentation of servants. This was the typical establishment representative of the domesticity described by Davidoff and Hall (1987). A home life has to be imagined in which it was important to keep up appearances at all times in front of the living-in servants, and thereby command respect from them and the world at large; a lifestyle based on the strict routines of formal domestic management to which all in the household have to adhere (section 3.1; and Davidoff and Hall 1987, 387-386). Even households with quite moderate incomes would employ a servant; and for families like Bennett's Clayhangers and Orgreaves (Bennett 1910-1916), the ethos would be much less formal. The Victorian and Edwardian English novel as a genre is full of depictions of formal domestic situations, of which this is but one example. For trades traditionally carried on within the household, the living-in apprentices would be part of the extended family (Davidoff and Hall 1987, 222-225).

In turn, the surrounding community of similarly-constructed and inter-related households becomes defined in terms of this private, internal *Gemeinschaft* mode of domestic organization; the language of family loyalties and obligations forms the basis of its social discourse. In contrast, the money relations arising out of trade and industry in the world at large, beyond the confines of the household, are the essence of the commercially-derived *Gesellschaft* organizational mode of modern capitalism; in it, the legally-bound transactions of formal exchange are the counterparts of the socially-determined allotments and sharing characteristic of the *Gemeinschaft* mode (Tönnies 2001 [1887], 17-91).

[1] As an example within the scope of the present study, Cordelia Vivian in widowhood kept a frugal household at Pencalenick (section 8.6.3).

Tönnies works out the implications of this dualism in considerable detail. Choices can be reflexive, unconscious, unreasoned, `intuitive'; characterized as the *Wesenwille.* Conscious, deliberate decisions can be `rational', rationalized or arbitrary; the outworking of a threefold (arbitrary, calculative, abstracted) Will conceptualized as the *Kürwille* (Tönnies 2001 [1887], 108-120).

The strength of patriarchal (or matriarchal) authority that sustains the *Gemeinschaft* mode becomes transmuted through the operation of formal business relations into the rationalized will integral to the *Gesellschaft* mode; and it also underlies the abstract determinism that rationalizes and codifies the formal bases of social action (Tönnies 2001 [1887], 179-210). To match against this theoretical development, it is the observed practical, internal workings of household *Gemeinschaft,* and of the *gesellschaftlich* commercial organization emerging from it in an English context, that are empirically analysed by Davidoff and Hall (1987); although they do not refer to it in these terms.

In a business partnership, there may be a conflict between the familial, *gemeinschaftlich* instincts and loyalties of the individual and the commercially-rational requirements of the business. Resolution of this conflict is seen by Weber as the means by which the *capital* in the business is defined and controlled as a resource distinct from the *wealth* of the partners in the enterprise; business objectives become more narrowly-focused on profit as the rational means of accumulation, turning away from the more diffuse conceptions of family welfare or personal emolument (Weber 1968 [1920], I, 98-99). There is a transition from the budgetary accounting of the household to the capital accounting of profit and loss as the spirit of capitalism emancipates itself from its heritage of traditional values and relations (Weber 1992 [1930], 30). Elements of the *Gemeinschaft* and *Gesellschaft* modes, and some of their further implications, can now be compared in Table 4.1. The organizational transition from *Gemeinschaft* to *Gesellschaft* mode is thus realized in a shift in mentalities: assets such as land that were treated as wealth with political value and social responsibilities become regarded as a means of raising capital for investment.

Table 4.1

Elements of *Gemeinschaft* and *Gesellschaft* modes compared

Gemeinschaft	*Gesellschaft*
Familial relations in a formal domestic context	Formal, external, legally-bound relations
Economic activity based within the household	Economic activity formally separate
Exchange socially-determined	Exchange economically-determined
Wealth socially-constructed	Wealth accounted and redefined as capital
Informal basis of credit	Formal quantification of credit
Society an aggregation of households	Households are units of society

Source: Dirring 2013a, derived from Tönnies (2001) [1887] and Davidoff and Hall (1987).

The money relations arising out of trade and industry in the world at large, beyond the confines of the household, are the essence of the commercially-derived *Gesellschaft* organizational mode of modern capitalism; in it, the legally-bound transactions of formal exchange are the counterparts of the socially-determined allotments and sharing characteristic of *Gemeinschaft*. The large landowning Cornish families had very diverse and fragmented property portfolios spread across Cornwall, including the mining interests that went with them. The Lemon family amongst others employed agents to manage their assets, with a considerable archival legacy.[1] Family fortunes were bound up in the legally-determined frameworks within which their estates were managed. This is most visible in the marriage settlements of their children, which gave rise to considerable negotiation and conveyance of property; for example, that of Francis Hearle Rodd and Mary Ann Coryton in 1795 (cited and discussed in section 6.2.6). Occasionally, as in the case of the Lemon family, there was lengthy intra-family litigation (section 6.2.2). It can be said that the *Gemeinschaft* mode of their familial relationships was underwritten by the *Gesellschaft* organization of their estates; which also carried these familial relationships to some degree into the external partnerships of their commercial activities.

[1] For example, CRO (Whitford), WH/1/1826/1-99: accounts and receipts (1786-1787); and WH/1/1840/1-153: accounts and receipts (1800-1801).

The early bankers founded their enterprise on personal wealth, exposing it with unlimited liability to commercial risk. Their evolving approach to the emerging *Gesellschaft* mode of financial management was thus strongly determined by the *gemeinschaftlich* disposition of their assets and familial commitments such as entailed legacies; this is illustrated by Glynn's preoccupation with the prior claims of his dependants in the last days of the North Cornwall Bank (Lewis 2002, 56-59). Wealth and capital were not yet separated, either in fact or in accounting practices.

Bryer argues in Marxian terms that accounting methods define the capitalist mentality, and are `central to Weber's sociology of the "spirit" of capitalism' (Bryer 2005, 27); but in practice there was no sharp transition from budgetary to capital accounting. Accountancy beyond the simple recording of transactions was very slow to develop over the centuries (Yamey 1949); and capital accounting proper belongs to a later corporate era (Pollard 1963, 79). The Lemon estate records just cited are basically extended household accounts. Although it was often stressed as a moral obligation, many eighteenth-century business failures arose from a lack of adequate book-keeping (Hoppit 1987, 172). In banking, rigour and regularity in accounting and operating procedures was the product of slowly-accumulating experience, particularly in regard to the advancing of credit and the central concern of maintaining liquidity. The North Cornwall Bank's chaotic accounting was a factor in its downfall (section 6.6.1); while the St Columb Bank, as late as 1866, was another example of poor practice (section 8.5).

4.3 Will, authority, and organization

Within a Weberian framework, the nature and social authority of organizations can be seen as matrices for achieving economic and social objectives; with a simple evolutionary classification by type of authority. Three types are identified by Weber: `charismatic', `traditional', and `legal-rational' (Weber 1968 [1920], I, 215-216; Pugh *et al* 1971, 19-20). The first type, characterized as `charismatic',

is built around the character, ideas and inspiration of the founder. The associates in the enterprise are subordinate, little more than assistant functionaries; and the organization is made to serve the requirements and objectives of the founder. In Tönnies' terms, the `charismatic' organization is an extension of the founder's *Kürwille.* In Cornwall, Joseph Austen (Treffry) and Michael Williams were outstanding examples of charismatic personalities driving the management of their multifarious enterprises (Keast 1982; Barton 1970, 11-19). The passing of the founder, whether by death or resignation, can lead to fragmentation; the successors go their own ways, standing or falling by the organizational methods which they have inherited, while some parts of the fragmented edifice may be taken over by other organizations (Weber 1968 [1920], I, 246-249; Pugh *et al* 1971, 20). Different, but no less energetic talents, can be needed to consolidate a business. The charismatic eighteenth-century London brewers found worthy successors to run the `giant concerns' that they had established (Mathias 1959, 213).

An adherence to proven methods, whether or not these remain appropriate to changing conditions, is characteristic of the second of Weber's types, the `traditional'. Familial partnerships can be of this type; and, again in Tönnies' terms, derive their internal authority from the *gemeinschaftlich* practices and motivations springing from formal domestic organization, familial relationships, and enterprise. The Foxes of Falmouth are the Cornish exemplar (section 6.5).

The admission of partners from outside the family, bringing more capital and different `traditions' and working practices, coupled with increasing size and widening interests involving the hiring and promotion of employees, leads to the third Weberian type, the `legal-rational'. Increasing size and complexity leads to a hierarchical structure through which authority can be delegated. Decision-making is by degrees taken away from the vagaries of individual initiative, through the standardization of working practices; which become codified alongside systematic, audited records and accounts. Indeed, this is a necessary precondition of the next phase, that of corporate organization; in which managerial control becomes separated from, yet still formally accountable to,

the ownership of the assets. The development of the Bolitho enterprises (section 6.4) and the emergence of the Consolidated Bank (9.5) demonstrate this evolution.

4.4 Individual determinism and fields of action

The question of motivation is inherent in this typological scheme; and more generally in all spheres of social action. Weber identifies four orientations for individual determinism (Weber 1968 [1920], I, 24-31):

(1) The `instrumentally rational' (*zweckrational*), reactive to the social environment, with a choice set derived from behavioural expectations;

(2) The `value-rational' (*wertrational*), derived from the individual's system of moral and aesthetic values;

(3) The `affectual', derived from emotional ties; and

(4) The `traditional', resulting from ingrained habit and custom.

Affectual and traditional orientations give rise to `communal' social relationships (*Vergemeinschaftung*), while rational orientations result in `associative' relationships (*Vergessellschaftung*).

This scheme is thus effectively but independently a development of that of Tönnies; the orientation of behaviour towards one type or the other suggests the conceptualization of a polarized moral field of action. What is in this study regarded as the individual mindset can be viewed in these terms as an aggregation of the perceptions engendered by moral values, emotional loyalties and customary habits. This orientational typology is further developed into modes of social action: usage, custom, and self-interest; neither usage (the prevalent way of doing things) nor custom (the way it has always been done) are mandatory, but it is in the individual's self-interest to conform to the behavioural patterns engendered by the prevailing structure of social relations (Weber 1968 [1920], I, 40-43). It is a typological core which can be developed in a general and abstract way as a means of identifying the basis of accepted social legitimacy and applied ethical values (Waters 1998, 183).

In the Cornish context as elsewhere, and broadly following Davidoff and Hall (1987) as set forth above (section 3.1), the issue can be framed in terms of the shifting constituency of mindsets: of which some components were spiritual or doctrinal in origin; some were social, derived from the routines, practices and demands of a religiously-determined lifestyle; and others arose from the economically-defined sphere of business experience and commercial necessity.

Critiques, elaborations and applications of Weber, who was formulating broadly-based general social concepts rather than narrow explanations of specific sets of organizational circumstances, arose from the need to address the changing nature of organizations in the twentieth century (Pugh *et al* 1971, 25). Economy and society, not least in the financial sector, was becoming increasingly dominated by institutions much larger and more complex than even the largest Cornish bank had been. The period of the present study effectively ends with the formation of the large clearing banks, at a time when the established organizational forms were being superseded by newer variants with different characteristics. The new corporate mode of organization was however becoming strongly evident in the last phase of Cornish banking enterprise, as the separation of the rational organization of capital from the accumulation and management of individual and familial wealth was confirmed in the adoption of the joint-stock company form with limited liability (chapter 9 below).

4.5 Organization typology and morphology

In the face of growing organizational complexity and diversity, typologies of organizations have of necessity become elaborated far beyond Weber's basic categories. Students of the large and complex industrial organization dominant in the twentieth century have however responded almost exclusively to Weber's `legal-rational' category, emphasizing structural aspects and formal procedure as the main criteria of assessment (Carper and Snizek 1980). Going beyond this, Rich's wider critique of typological endeavours (Rich 1992) became the starting point for proposing a fully-comprehensive hierarchical taxonomy of

organizational forms, equating to the systems and methods used in the natural sciences. Organizational forms are however recognized above all as being mutable; nominal concepts adopted for the convenience of analysis (Rich 1992, 770). In the Cornish case, attempts at categorization lead only to complex schemes with as many categories as institutions; some of which, such as the Miners' Bank, are observed to have passed through successive phases in their changing modes of organization. The requirement is therefore morphological rather than taxonomic; there is both rigidity and adaptability, and structural evolutionary process, in organizational development (Stinchcombe 1969, 179-185; Casson 1999, 10-12).

In the historical narrative in chapters 6 through 9 below, beginning in the formative years before 1800, institutional development can be seen to be moving variously along the `charismatic', 'traditional' and `legal-rational' lines suggested by Weber. The typical development of an institution is linked in the beginning to the careers, interests and motivations of the founding partners, as well as their immediate socioeconomic settings. With the progress within each institution determined by its discursive management style, the transitions between successive organizational stages most commonly occurred at changes in the partnerships, exhibiting outcomes of ongoing and socially-embedded negotiational processes. This can be observed most markedly in the development of the Cornish Bank (section 6.3). Behavioural characteristics from one phase of development could continue as `enclosures' within those of the next. Individual enterprise lived on in the autonomous opportunism of the partners in the early private banks – not always happily, as in Launceston in 1810 (section 6.1.1) and in the North Cornwall Bank in the ensuing decade (6.6.1); and it was possible for private bankers who joined the boards of their joint-stock successors to remain private bankers in mind, spirit and practice (9.6.1). This aspect of evolutionary development is discussed further in sections 10.1.2 and 10.2.2.

4.6 Networking and the social embeddedness of economic action

The empirical research into the relations between banking and industry has led to wider investigations of business networking, such as that undertaken and qualified by Pearson and Richardson (2001, 2003), following a challenge by Wilson and Popp (2003) which does not materially affect the substance. There have been some further studies of historical situations, such as Burt's research into freemasonry in Cornwall cited in section 3.2 (Burt 2003), and Lee's into German merchants in nineteenth-century Liverpool (Lee, R., 2012), both of which also discuss individual relationships. Recent theoretical work, however, such as studies by Ford and Mouzas (2013) and Huang and Wilkinson (2013), is based on research into individual connections in and between developed corporate environments.

The typological approach to organizations has been extended further into the study of inter-firm networks, summarised in a multidisciplinary survey article by Grandori and Soda (1995), which considers the associations and combinations between business organizations in the modern corporate economy. The range of network forms identified extends from socially-derived and informal forms of co-operation, through consortia and joint ventures to the conditions for outright merger, a contractual realization of the calculated economic advantage resulting from horizontal and vertical integration. There is a historical progression of organizational development across this typological range – as there was in the evolution of Cornish banking, in which the Bolitho network was prominent, operating between east and west Cornwall; with its sharing of the note issue, its interlocking partnerships, and eventual consolidation in formal amalgamation (sections 6.4, 9.5). This was not, however, networking of the kind encountered in the modern corporate economy (Pearson and Richardson 2001, 659; 2003, 366), and the approach has to be modified.

The perfectly-competitive economic relations imputed to a *laissez-faire* economy result from an anonymity of individual traders, with personalized characteristics of integrity and trust redundant when the market mechanism

itself dictates honest compliance with law and custom: indeed, social atomization, rather than co-operation and combination, is a prerequisite; and social interaction is seen as frictional (Granovetter 1985, 484). To Adam Smith, custom and habit, guilds and corporations, were inimical to the exercise of economically rational choice; although he admitted that combinations between individuals in the same trade, with the same interests, were a natural structural development in society (Smith, A., 1979 [1776], 232-234). Financial decisions in Cornish banking, as the present study aims to show, were not made on some abstract plane of rationality; but were rather embedded in the culture of the socioeconomic fabric.

Within this fabric, regular and particularly longstanding personal contacts in business are confirmed by customary usage; and can become formalized into contractual arrangements defining the scope and limits of the relationship, and acting as both the facilitator of transactions and the deterrent to malpractices. Endogenously-shared morals and values (that is, not imposed from outside or above) continue to be operative alongside formally-regulated relationships, reducing risk. Dealings continue to be between individuals acting within organizations, engendering a mutual trust which transcends formal relationships with a confidence based on the personal experience of past dealings; however, betrayal of this confidence is a moral hazard, and transactions remain on a formal contractual basis (Pearson and Richardson 2001, 657-659).

Formal relations within networks cannot effectively replace the trust underlying relationships between individuals, which are the stronger the greater the degree of commonality in moral outlook and behavioural code. Mutual, morally-bound obligations stand apart from the institutional arrangements within which they are contracted; the fabric of the network is woven from this mutual trust (Pearson and Richardson 2001, 659). The honourable intentions of the individual fulfil implicit behavioural expectations; becoming manifest in going beyond contractual obligations, in the spirit of the transaction rather than the letter. Honour guarantees that trust is not misplaced, forming the whole basis of credit. Although unwritten as a mercantile code, it was a tangible discourse of

gentlemanly conduct; and more generally, the means of maintaining social standing and a place in the community (Smail 2005, 448-455).

`Permeable, yet still personalized, business networking on a multilateral basis' sustained a `denser web of non-economic associations', transcending the political, familial and denominational divisions of middle-class life; `associational conventions' buttressed `reciprocal trust relations' (Pearson and Richardson 2001, 660). The freemasonry investigated by Burt (2003), and discussed above (section 3.2), can be taken as one possible if indemonstrable example of this conventional reciprocity. A principal benefit of this networking was the pooling of information and experience, creating an accumulation of social capital; this is investigated by Pearson and Richardson through case studies in the insurance industry, which depended on the ability of networks to provide credit ratings on investors able to underwrite claims. Common attributes were wealth and longstanding reputations in the community. Wealth came from property, investments, commercial enterprise, marriage and inheritance; intermarriage was common between the families of business partners, and not least in Cornish banking (section 6.4). The `shared experience of business risk' led naturally to attempts to reduce it through combination and collusion or co-operation, facilitated through networking; which was at the heart of ruling oligarchies on borough corporations and in local government (Pearson and Richardson 2001, 661-666; 2003, 364-367; Wilson and Popp 2003, 358-359). Similar attributes are identifiable in the Cornish networks revealed in the historical narrative below; but the prime example is the 1879 correspondence made visible by Hicks (Hicks 1952, and section 2.1.3).

The emergence of compelling common economic interests could bring together individuals otherwise opposite in politics or religion: in Cornish banking, most markedly and ultimately unsuccessfully in the Cornish Bank of Tweedy and Williams (section 6.3.2). More generally, the `embeddedness of business in social relations and value systems' could reduce transactional conflicts and ease dispute resolution (Pearson and Richardson 2001, 672). Transparent public lives enhanced `regard' as a basis for trust: more generally, the radius of

trust can be seen as determined by the size and expandability of the network, and the depth of social embeddedness (Welch *et al,* 2007).

Economic self-interest was in itself insufficient to hold trading networks together; coherence was achieved through the `economics of regard', with shared socialized values determining behaviour and strategic decisions. Playing the game together, rather than in opposition, fostered a growing `corporation spirit' as a `catalyst for economic growth'; facilitating the raising of capital and loans, and promoting diversification and innovation through `information sharing and collective action' (Pearson and Richardson 2001, 673-675). The precise form of these network relations, in regard to the industrial northern counties of England, has been debated (Wilson and Popp 2003, 356; Pearson and Richardson 2003, 363, 366). In Cornwall, business connections, though intimate, lacked the density of those in Lancashire and Yorkshire (section 2.2.3); but were nonetheless intricate, as in late eighteenth-century Hayle (MacKenzie 2007). The tendency was for networking to be resolved into interlocking partnerships, as in that of the tin smelting business of Sawle, Fox & Co. (Table 6.19; section 5.3).

Business relations are seen by Granovetter as possessing a concrete strength beyond legally-bound individual transactions, because of ongoing interdependencies between the parties to agreements, the past history of their relations, and possible future mutual opportunities: a strength which the individual actors rely upon. Economic activity, however rational its construction, is therefore socially-embedded. There is substantial power in what are now called `networked relationships'; these can smooth over transactional and contractual difficulties by facilitating compromise through informal but socially-binding arrangements, sometimes going beyond the letter of the formal contract in the interest of mutual advantage (Granovetter 1985, 495-497). This is however dependent on an ability to exercise individual initiative in the face of corporate power – or, in some Cornish cases – the power of charismatic individuals. Informal social relations between individuals can have a greater importance than the formal or overt organizational structures within which they

are established (Granovetter 1985, 502). This was recognised in the principle of local directorships in the amalgamated Barclays Bank (section 9.6.1).

The argument has moved on from this line of reasoning, however, as charted by Dale (2011). Tönnies' dual conception of *Gemeinschaft* and *Gesellschaft* can also be related to the emergence of *disembeddedness* as a feature of the corporate society and economy; finding an alternative and, in the writer's view, complementary application in the study of corporatization. Individuals went out into the world (section 3.1), with economic and social activity moving out of domestic situations into a wider contractual environment. This can be seen as the first stage in a transition from *Gemeinschaft* to *Gesellschaft* (Dale 2011, 307-310). Within this emerging condition, networking may have remained socially-embedded in the extended relations of a business community built on partnerships; but in time, with the growth of corporate forms of organization, economic activity becomes disembedded, as formal operating procedures supplant more pragmatic and intimate *gemeinschaftlich* relations with clients and community. Ultimately, as globalization quickens, a `planet-spanning condition of *Gesellschaft'* develops (Inglis 2009, 816, 819-821).

4.7 The pragmatic nature of decision-making processes

In his conception of embeddedness, Granovetter offers a critique of narrowly-defined rational choice; yet asserts that, though problematic, `rational action' remains a `good working hypothesis' (Granovetter 1985, 506). However, in the late 1940s, microeconomic theory began to turn away from marginal analysis and the `rational' maximization principle (Dirring 2007a, 251; Nordquist 1965). The neoclassical theory of the firm can however be made more adaptable in its application - through the selective relaxation of some of its peripheral assumptions, while retaining the core principle of rational optimization tending towards equilibria (Casson 1999, 12-13). Nevertheless, a succession of alternative theories of the firm has appeared, with other objectives pursued in lieu of profit maximization, and based on analyses of the observed or declared

behaviours of individual decision-makers (Lee, C.H., 1990). While profit maximization might well have been the nominal objective of Cornish bankers, their preoccupation, in common with their contemporaries elsewhere, was necessarily with liquidity and the means of survival. Decisions were made pragmatically, and with haste in times of crisis, as in Truro in January 1879 (section 9.1); at other times, opportunities might be simplistically and arbitrarily assessed, with choices rationalized in retrospective justification - maybe in the face of unexpected consequences, as Ross struggled to do in Penzance in 1896 (section 9.3.3). These behavioural patterns have the appearance of rationality, situated within the organizational situations in which the decisions are being made.

This essential operational pragmatism of decision making has been given a fuller behavioural dimension by Cyert and March. Originally published in 1963, their behavioural theory of the firm offers an explanation of its economic behaviour by going inside the organization and investigating how decisions are actually made, on the basis of detailed case studies (Cyert and March 1992). This work is now regarded as being somewhat dated (Schreyögg and Sydow 2011, 322); but its conceptual utility remains (see Gruber 2010; and section 4.10). Though conceived and researched within modern corporate structures, their subject is the perception and responses of individuals acting within circumscribed spheres of initiative, set by organizationally-determined boundaries (Cyert and March 1992, 214-215). The horizons of the decision maker are set by knowledge, experience and insight as perceptive limits on the field of choice and action. The `rationality' of the decision-making process is bounded by these limits; it is also determined by the reach and scope of the organization within which the decisions are being made. Thought and action will appear rational and justified within these bounds; and further assured by the perceived rectitude of moral boundaries. Within organizations, rationality is bounded by convention (Koumakhov 2009), and expressed in formal agreements such as articles of copartnership (section 6.2.2). By extension, they are similarly bounded by social and moral constraints in tight-knit communities of interest such as those discussed in chapter 3 above. Bounds

are also set within the perceptions, abilities and knowledge of the individual, defining behaviour and attitudes (Morton 2009).

Rather than trying to prioritize a single overarching business objective, Cyert and March recognize instead that the firm, like any other organization, is a coalition of multiple and often divergent interests grouped together with an avowedly common purpose. Such coalitions also exist in departments within formal corporate structures, each with its own set of goals determined by the sectional interest of its specialized function. A continuous and mostly tacit negotiation process gives a quasi-resolution of this internal conflict; achieved by a sequential attention to individual goals, prioritizing them in turn according to emerging exigiencies and short-term preoccupations. Routine operations are conducted according to standard (or habitual) operating procedures which seek to avoid uncertainty and establish a definitive authority. The environment within which the organization functions is negotiated as far as possible to create predictability and stability. More innovative responses are called for by new situations for which there is no contingency provision; there is a simplistic approach to solving new problems based on precedent and existing expertise: solutions come partly from the steps taken and partly from the ongoing turn of events. Resulting from this, there is a process of organizational learning which may lead to innovation or restructuring (Cyert and March 1992, 164-174). In Cornish banking, there would have been a simple, pragmatic and routine approach to the negotiations of everyday transactions (see section 10.1), cumulatively resulting in the development paths considered in section 10.1.5.

4.8 Negotiation and the resolution of conflict: game theory

The conception of the firm as a coalition of interests leads to consideration of negotiation processes, which also apply to dealings outside the firm; in the present study, specifically dealings with clients. Game theory is applicable; but the question is one of appropriateness. Essentially a mathematical formulation,

a more conceptual realization becomes necessary for applications such as that of the present study.

A basic concept is that of the two-person game. In terms of pure theory, this can be grown from the two-person/two-strategy case, or 2x2 game, assigning probabilities to the outcomes (Peyton Young 2001, 25-38; Webb 2007, 61-88). In the negotiational situations between two players met with in this study, more strategies are in evidence; and it is more logical to treat the 2x2 game as a special case. This is the approach of older texts such as Allen's, who gives a thorough but accessible mathematical treatment (Allen 1959, 493-506). A two-person game with mixed strategies can also be converted into a linear programming situation, the optimization of an objective function subject to constraints (Allen 1959, 541-544; Hillier and Liebermann 1967, 275-278). Game theoretic models of the firm, specifically related to business situations, are introduced by Naylor and Vernon (1969, 426-444).

In sections 10.1.1, 10.1.2 and 10.2.1, relating respectively to relations with clients, between partners, and between shareholders and management in joint-stock organizations, the payoff matrix of a two-person game is conceptually adapted to express the options available in the negotiational situations encountered in Cornish banking (Tables 10.1, 10.2, 10.3). No attempt has been made to assign probabilities to the outcomes, except in an indicative way; instead, these are assessed qualitatively in accordance with the general approach of this study. A further, quantitative stage of analysis could result from the assignation of numerical values; but more data than has been assembled for the present study would be required. The linear programming aspect is touched upon briefly in the joint-stock context in section 10.2.1.

4.9 Choice fields and trajectories

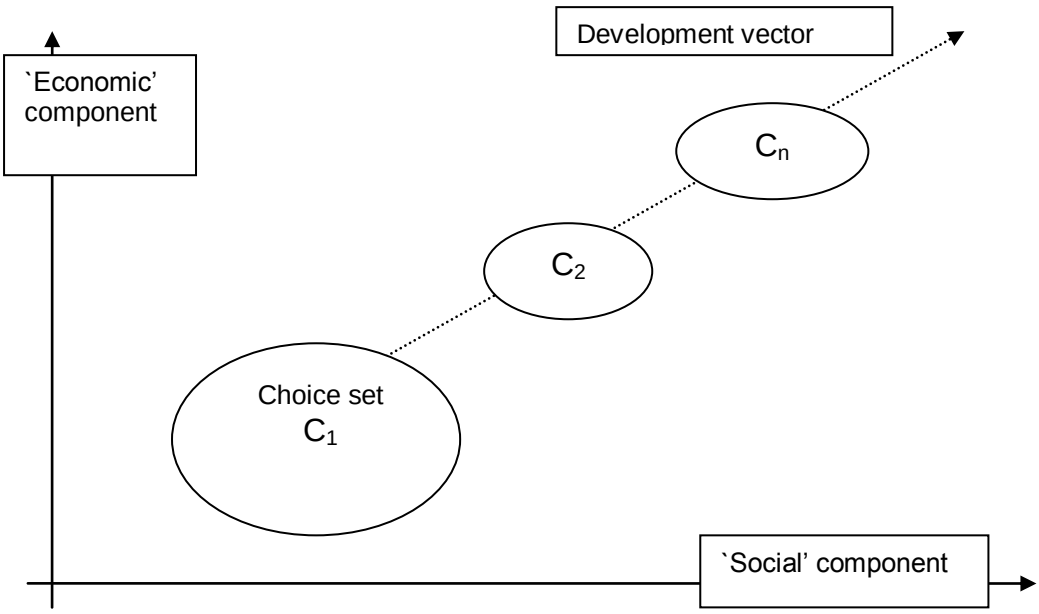
Overall, the development of a business results from the aggregation of decisions made by individuals, whether acting alone as sole traders, or

consensually within and on behalf of organizations; but decisions generally are embedded in the wider social, political and economic discourses which identify and define the available choice sets. This notion of `embedded choice' has been advanced in previous work by the present author; in which a preliminary attempt has been made to develop a general conceptual formulation of decision-making processes (Dirring 2007a, 258-260; 2007b, 37-40). This is now reconsidered in particular relation to the purposes of the present study, using Figure 4.1.

In general terms, the bipolarity of the choice fields in which decisions are made can be resolved graphically between axes representing bundled `economic' or `social' considerations, constraints, motivations, and objectives. These are understood in a discursive form by the decision maker, who is situated within the choice field and the horizons it imposes. This resolution can also be considered more specifically as being between *gesellschaftlich* (`economic') and *gemeinschaftlich* (`social') tendencies (Dirring 2007b, 37-39). The resultant space is mapped in Figure 4.1.

Figure 4.1

Choice sets and the development vector



Source: Derived from Dirring 2007a, 259, and 2007b, 38

The axes notionally measure `discursive strength': close to the origin, choices are small in scope, their determinants relatively insignificant, and their consequences minimal in effect; arguments for and against are inconclusive. The feasible choice set within which the initial decisions are made is shown at C_1. Each decision is a resolution of `social' and `economic' components; stronger `social' considerations locate it further to the right, while a more rigorous `economic' rationale locates it higher up the diagram. At the outset, in choice set C_1, with no legacy of past decisions to face, options are wider and choices may be easier, with neither component especially dominant. In successive choice sets, options may be fewer and decisions may become harder. As they move along the `social' and `economic' axes, they engage with wider issues of greater and more challenging discursive strength, have larger and further-reaching consequences, and the stakes in both economic and social terms are higher. This graphical approach is developed further in application to banking situations in chapter 10 (section 10.1.4). What is termed the `development vector' is a critical path arising from the decisions made within the initial choice set C_1, and continuing as a consequence of the new decisions made in subsequent choice sets C_2 … C_n. The development vector is not necessarily a straight line as drawn; actions within the choice sets may veer it towards one axis or the other. Each successive choice set contains greater or lesser ranges of options which will give rise to path creation or path dependency.

4.10 Path creation and dependency

The literature has to a large extent focused on *path dependency*, initially seen as a self-reinforcing process within the structure of an organization, beyond the control of individual agents (Garud *et al* 2010). However, recent empirical work by Gruber on newly-established businesses focuses on *path creation* as the essential process, identifying four `phases of path constitution' (Gruber 2010, 1146-1147).

FIRST PHASE: The random emergence of a path of development, or a deliberate search for a practical and sustainable progression among alternative possible courses of action. This will depend on the insights, prior knowledge and experience of the originators and instigators of the enterprise. If it originates as a narrowly-focused specialism, the vision may be limited and opportunities missed (Gruber 2010, 1159). The personalities and aspirations of individuals facilitate development.

SECOND PHASE: Shaping the path as particular courses of action are adopted. Gruber draws on the work of Cyert and March (1992; as cited above in section 4.7) to emphasize a sequential and simplistic approach to problem-solving and decision-making, dictated by practicalities and immediate perceptions, rather than seeking optimal solutions. The limits of available resources are reached; and new partners with fresh capital or new ideas have to be sought (Gruber 2010, 1151, 1152). This was the experience in the Miners' Bank (section 6.2). Alongside this, the management of what began as innovation has initiated administrative processes. At what Schreyögg and Sydow term a `critical juncture', these processes result in a path of development which may restrict choice and discretion in decision-making; a fixed mindset begins to emerge which, beyond a further critical juncture designated the `lock in', choices become predetermined by custom and habit, regardless of sub-optimality (Schreyögg and Sydow 2011, 324, 329).

THIRD PHASE: The dependence phase, in which initiatives are lost and operations become no more than routine; unwilling or unable to escape the consequences of past decisions and habitual methods, and failing to respond adequately to changing conditions. There are few or no aspirations to better alternatives. The personalities and mindsets of individuals have become limiting factors (Gruber 2010, 1150). The constraint is one of bounded rationality (section 4.7).

FOURTH PHASE: Breaking free from path dependence, maybe in crisis situations in which innovation becomes essential and a new collective mindset

emerges. The crisis does however have to be anticipated. There were few and sometimes no options available in situations of financial panic (Hicks 1949; 1952; Fitzmaurice 1991; and sections 6.6.1, 8.5 and 8.6.2). In the endgames of Cornish banking, it will be seen that terminal conditions were reached where the only option was amalgamation (section 10.1.5).

These phases can become cyclical if new paths do emerge in the third or fourth phase to instigate a fresh round of development. This happened in cases where partnerships were reinvigorated, as with the Miners' Bank after 1859 (section 6.2.7). It is consistent with the Weberian progression identified in sections 4.3 and 4.4. The first phase is the prerogative of individual charisma, which gives way to the `traditional' and `legal-rational' operational determinants as path dependency grows after the critical juncture occasioned by the departure of the founder. Path dependency is examined more closely in the Cornish banking context in sections 10.1.4 and 10.1.5.

4.11 The `family firm' in Cornish banking

The theoretical elements introduced in this chapter are brought together in the concept of the `family firm'. Davidoff and Hall (1987) have discussed in great detail how the fortunes of middle-class families were built upon their internal and external social relations, in which economic activity was deeply embedded. Some aspects of this have been summarized in sections 3.1 and 4.6; and in sections 4.1 through 4.4 have been related to a foundation of social theory derived from Tönnies and Weber. It can be said for many that business was only pursued to provide the means for family living (Davidoff and Hall 1987, 207, 225, 227); a priority visible for instance in the smaller businesses of Lancashire (Barker and Ishizu 2012). Family relationships and networks provided the underlying basis for the construction of both temporary business collaborations and longer-term partnerships (Davidoff and Hall 1987, 200-201).

As the historical narrative in chapter 6 will show, family partnerships were a dominant feature of Cornish banking, and thrived in a *gemeinschaftlich* social and commercial environment (section 5.4.2). Casson (1999) defines the `dynastic family firm' as one in which participation and succession is confined to the family, with family ownership a necessary condition for family control, embodying a conception of stewardship for succeeding generations (his `non-dynastic firm' admits outsiders). The family's exposure to economic risk is concentrated in the firm. Family members are trusted above outsiders, despite the competence, expertise and qualifications of eligible professionals: indeed, the growth of professionalism can appear inimical to the dynastic firm; which may have an autocratic management style with loyalty valued over competence, and a commitment to traditional methods (features typical of Weber's `traditional' category – section 4.3 above). Family members in helping one another can be mutually altruistic, reflected in the greater stability of family incomes in times of uncertainty. Rewards for family participants are emotional as well as material; their commitment is the basis for trust within the firm, and for its reputation in the community. If the business environment is dominated by similar enterprises, transactions are facilitated by an inherent culture of mutual commitment and trust between firms, with economic action socially embedded. In economic terms, this trust is realized in reduced transaction costs, in that there will be fewer bad debts or litigious disputes (Casson 1999, 11-13, 15; Granovetter 1985; Pearson and Richardson 2001, 657).

If the family firm becomes a closed and exclusive commercial entity, then internal funding will be preferred over maybe more advantageous external sources, and growth will become restrictively dependent on the reinvestment of profits. Family members will not invest elsewhere, and become locked in to the specific risks of the business. With outside entrepreneurial talent excluded, there may be an excessive reliance on a succession of maybe reluctant and less competent family members. The dynastic motive can thus become a constraint on performance; with a tendency towards unprofitability with no long-term prospects; a downward path dependency develops (Casson 1999, 13-14; and section 4.10).

Yet the short life of many family firms is to be contrasted with the eminent prosperity of others across generations, overcoming succession difficulties – as did several of the Cornish banking partnerships discussed in chapter 6 below. The advantages of family organization, based on trust and embedded in community and larger family networks involving long-term business relationships with other family firms, can outweigh the shortcomings (Casson 1999, 15). While some were content with a steady, secure living – like the Coode and Shilson families in their bank and legal practice (section 6.4.4), for others growth and longevity could be a family objective; with the concept of stewardship inculcating long-term responsibility (Napolitano *et al* 2015, 959, 960). To the patriarch or matriarch, children and their stewardship through later generations could be the means to a `worldly form of immortality', imposing a filial duty of loyalty against better opportunities elsewhere; sometimes resulting in the unprofitable continuance of a failing business beyond hope, as a matter of identity and family pride (Casson 1999, 17-18). The latter days of the Helston Union Bank may be an exemplar of this (section 8.6.3).

Some familial relations are observed to be stronger than others; with that between parent and child the strongest. Relations between generations can be more co-operative than between rivalrous siblings; with an assertion of patriarchal or matriarchal primacy sustained by a combination of love, fear and respect; and the management of inheritance. Blood relations can be stronger than marital relations. Economic efficiency, with its `rational' actions and `optimizing' behaviour, follows the strongest relationships; the high trust needed between business partners is best facilitated in close family partnerships. However, as the experience of Cornish banking shows, not all familial relations are affectionate and altruistic; there can be disagreements, estrangements, and selfish motivations (Casson 1999, 15-16). In the fractious Williams family, strength was rather vested in individuals rather than family harmony (section 6.3.2).

In Cornish banking, family partnerships evolved by stages into limited joint-stock companies, with family participants becoming paid employees – most notably in

the reconstruction of the Cornish Bank (section 9.2). This is a key element in the transition from *gemeinschaftlich* to *gesellschaftlich* organizational structures; and is considered in more detail in section 8.8.

4.12 Provenance and application of theory in this study

The underlying theoretical concept in this study is the notion of a historical transition from *Gemeinschaft* to *Gesellschaft*, ultimately in the context of corporate organizational development and globalization (Inglis 2009). This underlying concept is not adopted or applied in any *a priori* sense. Together with the more general approaches of Tönnies and Weber discussed in sections 4.1, 4.2 and 4.3, it is grounded and validated in the empirically-derived structures of familial life and business practices set out in section 3.1, and originating with Davidoff and Hall (1987); and by extension in the Cornish situations discovered in the narrative descriptions of chapters 5 through 9.

The standpoint of the study, as discussed in section 1.3, is situated among and within the financial institutions of nineteenth-century Cornwall. The elements of theory as presented above, whether of modern or post-modern derivation, have been accordingly been assessed for their suitability in application to nineteenth-century situations. While some are the product of older ways of thinking, retaining their validity but appearing outmoded in comparison to more recent developments (as in section 4.8), the criteria for their assessment have been utility in application, and relevance in informing a more general understanding of the courses of development revealed by the historical narrative, beyond the specific requirements of the evolutionary analysis set forth in chapter 10. Taken together, the selection of historical and theoretical material presented in chapters 2, 3 and 4 above will provide a wider context and *milieu* for the understanding of the development of banking in Cornwall, beyond the specific connections that will be made in the narrative and theoretical exposition.

CHAPTER 5

Financial intermediation in the Cornish landscape

5.1 The layered landscape[1]

The landscape in which the historical development of banking and financial intermediation in Cornwall took place can be understood in terms of conceptual layers, as shown in figure 5.1.[2]

Figure 5.1

The layered landscape

CONTRACTUAL LANDSCAPE – contractual networks
TRANSACTIONAL LANDSCAPE – networks of social and economic transactions
SOCIOECONOMIC LANDSCAPE – the built and cultivated environment
TOPOGRAPHICAL SUBSTRATE

The spatial differentiation that underpins Langton's regional approach to industrialization (Langton 1984) originates in the distribution of natural resources within and upon a geomorphology which also dictates the communication possibilities. This can be considered as the topographical substrate underlying social and economic development. The socioeconomic landscape**,** whether of Britain as a whole or of Cornwall in particular, is a representation of the built and cultivated environment which has developed on the topographical substrate. Its structure is shaped by the endowment of resources, and the consequential population distribution and settlement patterns. The state of the realization of the communication possibilities determines the nature and scope of social interactions, and the social and political structures which arise from them.

[1] O'Callaghan has used this term in the context of migration into and from the Caribbean (O'Callaghan 2005); but the concept as used there is one of cultural and ethnic layers and perceptions.

[2] This approach was first articulated by the present writer in a presentation to a Cornish Studies symposium held at Penryn on 15 November 2010.

As discussed further below in section 5.2, subjective discourses arising from this received landscape help to shape the cultural milieu within which social and economic transactions take place. Taken together, these transactions constitute the transactional landscape, mapped by the *formal and informal networks* facilitated by social credit. This credit is built up through ongoing and cumulative transactional relationships. Financial transactions in particular, a subset of wider and more general transactions, are confirmed and fulfilled through *contractual networks* which determine the form of the contractual landscape. Transactions are facilitated by institutions; whether within households or conducted through formally-constituted agencies such as banks. The mode of their establishment is determined by the depth of their embeddedness in the layered landscape. There is also a religious layer, tangible in the denominational structures of its `maze' of institutions (Jeremy 1988, 1-4); but given life by an inward spirituality, in default of which more temporal forces define its essence.

Successive layers of the landscape are embedded rather than superimposed. In Tönnies' terms (section 4.2), the social household relations of *Gemeinschaft* reside in the built and cultivated environment, defining the nature and scope of the consequent transactional relations. The contractual networks of *Gesellschaft* are integral to the contractual landscape; but if indigenous in origin were initially embedded in the transactional relations of *Gemeinschaft*. The *disembeddedness* noted in the previous chapter (section 4.6) is a consequence of maturing corporate development (section 9.6.3).

The transactional landscape can be taken as the field of present action; and the underlying layers as fields of future investment. Individual decision makers, with horizons defined by location and subjective perceptions (section 5.2), can be said to act from a position of situated objectivity (section 1.3) in making rational or rationalized decisions within the scope of their perceived choice sets dictated by circumstance.

5.1.1 Salient topographical features

The principal and distinctive feature underlying the layered landscape of Cornwall at the beginning of the period of this study was its rich natural endowment of metalliferous ore deposits, enabling its early industrialization (Pollard 1981, 14). An extended and indented coastline, with its natural harbours along the south coast, promoted a long and rich heritage of fishing and maritime trade (Rowe 1993, 262-263); but inland the fragmented geomorphology made communication difficult, and somewhat insular communities had become the natural settlement pattern (Perry 1993). This partly shaped the character of Cornish banking (section 6.1.1). The incidence of rich and poor soils had led to diversity in agriculture and a distinctive agrarian economy in medieval Cornwall (Hatcher 1970, 9-17); and over the succeeding centuries, the differences from one parish to the next led to the rent-seeking large landowners spreading their holdings across the county to enhance a regular dependable income. As mining developed in the eighteenth century, the growth of large estates, such as the holdings of the Bassets, was financed by the profits accruing from the control of mineral rights. Although many were `improving' landlords, their tenants often lacked sufficient margin in their farming for capital investment (Rowe 1993, 208-261). The received topography and socioeconomic landscape had to be taken as given in the short term. Alongside agricultural improvement and apart from mining speculation, sustainable development could be achieved through investment in infrastructure, increasing the possibilities of the choice fields in which decisions were made. As an example of this, financial services might be enhanced through improvements in communications, facilitating institutional growth through the development of coherent branch networks (section 9.4).

5.1.2 Subjective impressions of topography and the socioeconomic landscape before 1820

The half century between 1770 and 1820 saw tumultuous economic and social changes in industrializing Britain. While the circumstances of individuals and communities might change enormously, political structures and institutions remained largely the same (Royle 1997, 82-84), and increasingly anachronistic. The relations between classes and social groupings, often strained to breaking point in times of crisis in Cornwall, such as food riots (Rowe 1993, 33), nevertheless remained in overall equilibrium. The outlook of powerful families stemmed from their formalized patriarchal structures; which, together with the familial bonds typical of all levels in society, were strong determinants of the social and political structure of Cornwall at this period around 1800, and far into the ensuing decades (Elvins 1998, 1999). However, the balance of power was beginning to shift as the established order became strongly challenged (section 5.2). The middle class was rising in importance and strength by 1850 (*pace* Davidoff and Hall 1987); while the gentry were undergoing great changes as they adjusted to political reform and an altered role in politics (Jaggard 1999; Kitson Clark 1962, 206-274).

During the long period of military conflict, broadly extending from the American Declaration of Independence in 1776 to the battle of Waterloo in 1815, Cornwall was in the front line. From 1777 onwards, American privateers brought their struggle for independence close inshore to Scilly and Cape Cornwall, to north and south coasts alike, disrupting trade (Davies 1998); while coastal communities like Polperro welcomed the opportunity for privateering enterprises of their own (Johns 2008, 24-34). These opportunities were regarded as extensions of the risks and challenges commonplace in fishing, mining, and agriculture; all variable in their returns from year to year and subject to the general growing and atypical wartime demand for goods and services of many different kinds (Knight 2014, 153-175, 351-385). In Cornwall, the rising but still fluctuating price of copper reopened mines like Dolcoath (Morrison 1983, 14); while rising costs and failing outputs forced others to close (Lewis 2006, 166).

`Improving' landlords like Glynn brought marginal agricultural land into production (Lewis 2002, 53). As in other shipbuilding centres around Britain, there was increased activity in Fowey and Falmouth, with many smaller warships being built in private yards (Knight 2014, 358, 364-365). It was an industrializing *laissez-faire* age of opportunity and uncertainty, with an expansive but volatile commercial environment hungry for credit, as wartime conditions created opportunities to be grasped alongside the dislocation of normal trading patterns and cash flows (Mathias 1969, 175-176; Hoppit 1987, 130). Financial instability was endemic in the eighteenth century, and accentuated in wartime. In 1772, 1778, and 1788, there were cyclical collapses of speculative, excessive, unsustainable paper credit; while in 1793, following the poor harvest of 1792 and continuing uncertainty, `every creditor was clamorous for payment' (Hoppit 1986, 55). During the Revolutionary and Napoleonic wars, there was a succession of financial crises across Britain, exacerbated by the rumours and actualities of military conflict (Hoppit 1986, 55-56). A series of invasion scares became actual in 1797 when the French landed briefly at Fishguard in South Wales (Knight 2014, 87), causing a panic in which `failure followed failure' to the doors of the Bank of England (Thomas, S.E, 1934a, 25, 27), instigating the suspension of cash payments. Thereafter both the importance and liabilities of country banks were greatly increased (section 5.4.2).

The topography and social landscape of the times has been described in the journals of travellers, on journeys which had a much greater engagement with their surroundings than those of their successors in the railway age and later. A feel for what it was actually like to live, work and act in the midst of industrial, social and political upheaval can be gained from contemporary diaries such as that of Henry Woollcombe, a well-connected, Plymouth-based solicitor with wide-ranging public involvements. As well as charitable causes, he was much concerned with turnpike trusts in Devon and Cornwall, and was mayor of Plymouth in 1813-1814 (Gill 1983, 10-16). Accounts of annual business trips into West Cornwall effectively caught his many changes in mood from optimism to despair and back again, as he recounts his direct experiences of the events

of the time.[1] Examples include the suppression of naval mutinies in Plymouth, with its public executions;[2] dinner on one occasion with William Pitt[3] in sombre mood; and, in complete contrast, celebrity appearances on stage in Plymouth Dock by Sarah Siddons.[4]

His first impressions of Cornwall on his tour in 1797 were mixed, though later modified through better acquaintance: for example Bodmin (enlivened by French prisoners of war); Truro (many ongoing improvements); St. Day (bad roads to a hard mining life); Penzance (badly-paved but sociable).[5] These subjective impressions of the socioeconomic landscape helped to define the cultural milieu in which economic transactions were embedded. Woollcombe, travelling more extensively on a regular basis than many of his contemporaries, saw, heard and experienced far more than they. He did not enjoy his legal work (which he could not give up); this, together with the anxieties and uncertainties of the times, was the cause of his generally despondent outlook. He was buoyed up by Romantic conceptions of the landscapes through which he travelled; but discouraged by adversity, such as the trauma of the `Black Christmas' of 1825,[6] after his friend Elford's Plymouth Bank had failed (Hicks 1949, 293-296).

Those who chose involvement in banking as part of a commercial and political career were of necessity much more positive and robust in their outlook. Keast's depiction of the young Joseph Austen's growing commercial responsibilities and political antagonisms, in this same world of opportunity and anxiety, shows him as having an almost unbridled and belligerent optimism (Keast 1982); while Gill characterizes the Williams family as `one of the toughest in a bustling, battling age' (Gill 2011, 105).

[1] Plymouth & West Devon Record Office (Woollcombe), 710/391-398: diary (1796-1828). [2] *Ibid.,* 710 / 391, entries for 22 May, 27 May and 6 July 1797.
[3] *Ibid.*, entries for 18 and 19 May 1797. [4] *Ibid.,* entry for 19 August 1797.
[5] *Ibid.,* entries from 14 to 29 April 1797.
[6] *Ibid.,* 710 / 396: diary entries for December 1825; 710 / 397: diary entries up to 1 March 1826.

Also providing a contrast with Woollcombe in later decades was Barclay Fox. His Journal (Fox 2008) amounts to a near-perpetual itinerary for the years 1832-1854, as he travelled around the familial and business network connected through and within the Society of Friends.

5.1.3 Perspectives in the transactional landscape

In the years around 1800, economic life generally, in Cornwall as elsewhere, was conducted within a microeconomic perspective. Transactions, even at a distance, were contracted between (or in the name of) individuals; unless incorporated by charter or Act of Parliament, corporate bodies were not yet legal entities (Court 1954, 173-174, Taylor 2006, 24-25). The evidence given by the witnesses examined in the 1799 *Copper Report* reveals that there was only a vague, qualitative awareness of the larger macroeconomic picture of trading conditions in the non-ferrous metal industry.

Individual players, even those with a wider, more global experience, could only act in response to what became visible to them at the micro level. For example, Samuel Smith, a Birmingham exporter of metal manufactures, could not answer many of the questions put to him regarding the overall, aggregate state of the trade in which he was engaged.[1] The purpose of the inquiry was to piece together just such an overall picture of the industry - from the detailed yet circumscribed evidence, much of it from Cornwall, given by the witnesses examined. This first-hand testimony from the final years of the eighteenth century gives a view of the transactional landscape in which banking first emerged as a separate and specialized function in Cornish economy and society. The witnesses were describing in their own words their own perceptions of the commercial environment within which their decisions were actually made. In politics outside London, local priorities and concerns loomed largest in importance.

[1] PP 1799 *Copper Report,* pages 25-29.

In Cornwall as elsewhere in this period, the local gentry were dominant in their home areas (Jaggard 1999, 18-20), both in microeconomic terms and as holders of public office. If they aspired to parliamentary representation for borough or county, that was usually to further their own local interests without wider or higher ambitions, with a perception that `what was important was done locally' (Watson 1960, 51). The piecemeal approach to legislation, through private bills promoting local interests, encouraged their rent-seeking aspirations (Mokyr and Nye 2007, 56).

For the population generally, the most visible function exercised by central government was the collection of taxes, with few perceived local benefits: `a prejudice against central authority was the result' (Watson 1960, 52-53). This found its strongest expression in the extensive smuggling activities of the day, regarded as `free trading' by its practitioners, and justified by the very high customs duties which made many goods unaffordable for many (Johns 2008, 20-22). Its practice was pervasive, extending even to the officers and crews of the Falmouth packets (Gay 1903, 93-99).

5.1.4 Attitudes to bankruptcy, business failure and fraud

This popular condonement of smuggling, asserting a pragmatic moral right over the dictates of unsatisfactory legislation, arose naturally from a milieu of opportunism and risk-taking; whether along wild Cornish coastlines, or underground in guessed-at mineral lodes. This suggests a context for the understanding of commercial misfortune in Cornwall. In the popular perception of the time across England, failure was seen as consequential to the impetuosity of youth (inexperience and reckless audacity); unbridled ambition; speculation; or an excessive reliance on credit. Success by contrast was seen as the fruits of the `slow accumulation of experience, the moderate expansion of activity, the conservative use of credit, the detailed filling of accounts and a modest way of life' (Hoppit 1987, 173); but successful Cornish bankers did not

tread such a narrow path – the Williams family very often went their own way (section 6.3.2); and de Dunstanville was not above duelling (Gill 2011, 9).

From the unforgiving attitude to bankruptcy which was reflected in the earliest legislation of the sixteenth century (Hoppit 1987, 19-20), a finer and more realistic gradation of legal procedure had been erected by the nineteenth century. While in London there was a standing corps of bankruptcy commissioners (Hoppit 1987, 35-37), more generally `courts of requests' applied principles of equity in summary judgments and settlements of individual cases (Finn 2003, 15). Outside the courts, ways were more readily found for compromise and composition, as in the 1825 suspension of Carne & Co. in Falmouth (section 6.5). However, while the Launceston bankers reached amicable settlements in their community (section 6.1.1), both Thomson and Glynn of the North Cornwall Bank were imprisoned for debt (section 6.6.1).

The geography of bankruptcy, statistically investigated for the eighteenth century by Hoppit, suggests involvement in trading networks as a main determinant of the failure rate, with peripheral Cornwall among the counties with the lowest incidences (Hoppit 1987, 59-62). However, bankruptcy was precisely defined at law by trading occupation and relatively high default value (Finn 2003, 110-111), and was but a subset of the wider range of business failures, liquidations and settlement compositions (Marriner 1980, 356-357). London had the highest density of commercial networks and interdependency between traders, with heavy financial commitments and a concomitant greater risk of failure through association (Hoppit 1987, 63-64). In the emerging and complex industrial economies of Lancashire, Yorkshire and the west Midlands, specialization increased network dependencies (section 2.2.3); one major failure in Manchester in 1788, with others following, was of a calico printer turned banker (Ashton 1945, 28-29). As the scale of operations increased, more failures fell within the legal definition of bankruptcy (and within the statistics).

In prosperous times, new entrants were attracted to growth sectors in the economy, with varying degrees of success; the failure rate therefore also rose

as peace followed war, and crises ended in depression (Hoppit 1987, 122-139). With the new challenges and risks of developing industrialization, the incidence of failure rose sharply (Marriner 1980, 353-354). In Cornwall, as elsewhere, the rush into banking during the Revolutionary and Napoleonic wars was followed by exits and failures in the onsetting depression after 1815 (section 6.1). This was mitigated by the greater adaptability of multiple occupations, as shown in the cases of Andrew Vivian and James Banfield (sections 6.1.1, 6.5). The dominant large-scale industrial activity was mining; carried on by cost-book companies (section 6.2.1), and not by individuals in partnerships, as in Lancashire and Yorkshire, acting with unlimited liability and heavy investment in fixed assets (section 2.2.3). The failure of mining enterprise in Cornwall did not generally lead to widespread bankruptcies of individual adventurers, who diluted their exposure to risk (section 6.2.3). A popular but high-risk activity around the Cornish coast was pilchard seining. While carried on by syndicates in many cases to spread the risk, merchants could become heavily committed to uncertain outcomes in their investments in salt stocks. Ball in Mevagissey (failed 1824) and Binns in Looe (failed 1819) were both involved in this trade alongside their banking activities (see section 6.6.2). Comparing the varied Cornish experience with that of other areas leads to the conclusion that the spatial distribution of bankruptcy and business failure is not wholly determined by trading commitments and network effects alone; but by the ability to contain risk, and the maintenance of liquidity alongside fixed investments.

As the general incidence of fraud increased from the 1840s onwards, attitudes to failure and bankruptcy hardened (Finn 2003, 154). Within the ethos of *laissez-faire,* there was an obsession with success and a concomitant fear of failure; leading to desperate remedies in the face of ruin, penury and starvation. However regular and respectable in religious and commercial habits, there was nevertheless for some a readiness to defraud as necessary in a temporal game in which only a keen moral conscience could delineate the blurred distinctions between incompetence, well-intentioned malpractice and outright fraud (Robb 1992, 27). In 1849, failures were formally categorized as wholly or partially unfortunate, or wilfully responsible (Marriner 1980, 358-364; Finn 2003, 236-

277). Many cases, however (like that of the St. Columb Bank in 1866 – section 8.5), were complex and ambiguous; while the failure of the Cornish Bank in 1879 was popularly regarded as a misfortune, and the Tweedys retained their social standing (section 9.1). Insolvency could take many, often hidden forms. Pease's Bank at Darlington, fully operational, was exposed as `insolvent and mismanaged' on takeover by Barclays in 1902; but the Quaker cousinhood rallied round (Ackrill and Hannah 2001, 61-62; Outing 2010, 109).

5.2 Dominance of dynastic family groupings

Cornish life was dominated to a marked extent by dynastic family groupings. Some had built landed wealth and political power on economic success, like Lemon and Williams (Elvins 1999; Barton 1970, 13-20; Newell 2009a); while the traditional landed aristocracy, such as the Bassets, had acquired a new economic power through the development of their mineral resources (Thorne 2006). The leading landed and mercantile families, as longstanding political, social and economic stakeholders in Cornwall, had been involved in business ventures of many different kinds (Jaggard 1999, 19-20). The archival collections in the Cornwall Record Office eloquently demonstrate the breadth and depth of their diverse economic interests and social involvements across Cornwall.[1]

Their extensive business and large estates were conducted by agents and managers, within a formal *gemeinschaftlich* organization extending well beyond the confines of their households. They derived a continuous and regular income stream from land and rents; while their other and more speculative returns from commercial, industrial and mining activities provided their capital for investment (Rowe 1993, 217). The impression on the whole from the records is one of integrated, synergistically-managed operations that were the foundations of their wealth, with political activity the natural and necessary extension.

[1] One example among several is provided by the extensive collection of Lemon estate papers over several decades: Cornwall Record Office (Whitford), WH/1/1-2152.

It cannot be said that these elite families were `not co-opted into economic transformation', as Mokyr and Nye (2007, 56) aver; rather they set the pace for economic development in Cornwall. In the unreformed legislature prior to 1832, they were the means of providing, either directly themselves or through the patronage of the boroughs which they controlled, the 44 MPs who were ostensibly elected to represent Cornish interests in Parliament. There were two members each for 21 boroughs, and two to represent the county (Jaggard 1999, 21-22). Men of wealth and influence were expected to have a parliamentary career of some kind; to further their own categorized `interest', and that of the narrow community which would form their constituency. Political activity, until the onset of Reform in the 1830s, has been traditionally regarded as having consisted in the competitive articulation of these interests; although principled political debate on the wider issues of the day was a growing necessity (Jaggard 1999, 72-73; Elvins 1998, 85-88).

Popularity, on which reputations were founded and could founder, would depend on the convergence of these interests with those of the wider and unenfranchised community at large; and political careers were made and lost amid the shifting sands of parliamentary politics, in an age before formal political parties had been fully defined and established (Jaggard 1999, 1-5). De Dunstanville's lobbying in Parliament on behalf of the Cornish copper interest was an outstanding example of the active exercise of patronage by the nobility, alongside a strong `economic self interest' (McCahill 1976, 92-93, 104). It stands in sharp contrast to the negative but conservationist attitude of the Dukes of Bedford to the industrialization of their Tamar Valley (Booker 1967, 15-17).

County politics were distinctly separate from borough politics, and were generally free of proprietorial patronage. Customarily, one county MP represented the agricultural and the other the mining interest – traditionally also one would be a Whig and the other a Tory (Jaggard 1999, 24). Becoming a county member could confer an enviable position of wider, independent and largely uncontested Parliamentary influence for life, as it did for William Lemon,

MP for Cornwall for fifty years from 1774 to1824 (Elvins 1999, 49, 52). In the hope of winning such an advantage, large sums were willingly laid out by candidates and their supporters in election expenses and canvassing across the county. In the by-election for Cornwall in December 1772, £5,600 was contributed towards Praed's election expenses (Maclean 1872-1879*,* I, 465). As the detailed narrative in following chapters will show, many of the early bankers were also MPs; and some of their successors continued to win and hold parliamentary seats after 1832. Political antagonisms could affect the performance and fortunes of banks; although differing ideological convictions, even if strongly held, would not necessarily prevent effective business co-operation and the negotiated pursuit of common interests within the structure of a formal partnership (section 10.1.2). These differences even existed within harmonious family connections, as they did between the Lemon and Tremayne families (Elvins 1998, 83-84).

Before the Reform Act of 1832, the narrow electoral franchise was qualified entirely from property. Power therefore lay in the hands of the landed interest, the loyal votes they could command in the boroughs they controlled, and the patronage they could bestow. Ownership of property meant ownership of votes (Watson 1960, 54), and political and social advancement for those who could offer those votes in influential causes or provide seats (Jaggard 1999, 22, 48-59). Loyal votes were therefore reckoned as integral parts of proprietorial assets. The enlargement of estates across the county to include rentable properties within boroughs, so extensively documented in the archival record, thus had a political as well as an economic purpose. The effectual pursuit of higher aspirations often depended on acquiring political position through the sordid manipulations of `borough mongering'; this is especially manifest for the present context in the case of Fowey (Keast 1982, 17-26) and the fall of the North Cornwall Bank (section 6.6.1).

Wealth was the prime qualification of parliamentary electoral candidates; after financing the hugely expensive business of elections, the elected members would have to pay their way in London. It was therefore natural that bankers,

with funds within moral or immoral reach, should become enmeshed in the political process. The first phase of Cornish banking was thus in several cases politically-constructed: Lemon, Buller, Molesworth, Eliot and Praed were all banking partners and Members of Parliament; but large estates formed the basis of their wealth, and provided a substantial part of their incomes. While the Bullers, Molesworths, and Eliots were long-established landed proprietors in Cornwall, the Lemon and Praed families had each achieved their pre-eminence in three generations, as outlined below (sections 6.2, 6.3). This upward social mobility across generations made for a less exclusive power base in Cornish politics. `New wealth' stood alongside a landed aristocracy rejuvenated by the increasing incomes derived from mining development and agricultural improvement (Jaggard 1999, 19-20).

Personal animosities and often bitter political rivalries aside, the documentary record shows that the relations between the leading families were frequently collaborative, with intermarriage something of a necessity given the geographic isolation of the county (Jaggard 1999, 7-8). The large collections of correspondence held by the Cornwall Record Office (for example those of Christopher Hawkins [1]) show the extent and depth of such involvement. Formal marriage settlements were quite usual at this period, to provide for the all-too-frequent eventuality of early widowhood (Laurence *et al,* 2009, 8-9). High economic stakes could be played for in concluding such transactions. Familial power was consolidated, extended and redistributed for the next generation, and existing relations confirmed and enhanced. The far-reaching ramifications of some marriage settlements is shown by that between the Rodd and Carlyon families in 1795 (section 6.2.5), with its very large number of names, prominent and obscure alike, listed as tenants or lessees of the properties across Cornwall transferred as part of the settlement.[2]

[1] CRO (Hawkins and Johnstone Estates), J/1/2704: Sir Christopher Hawkins, letters received (1798-1828).
[2] CRO (Coryton), CY 7367-7368: marriage settlement, Francis Hearle Rodd and Mary Ann Coryton (26 and 27 June 1795).

Successive generations of the leading families were expected to provide leadership at borough and county level alike. Of necessity there was a sharing of public duties, encompassing local government, keeping the peace, and the administration of justice as magistrates. The records of the Quarter Sessions show that serving as a county magistrate was a responsibility conferred and required by social status: the maintenance of law and order was in their collective self-interest.

The landed, commercial and political elite, joined with their clerical and professional colleagues, were entrusted with the government of county and parish, and sat in judgment as magistrates at the Quarter Sessions at Truro, Bodmin and Lostwithiel. In 1784, the county magistrates on the bench at the Quarter Sessions at Bodmin included John Buller, Sir Francis Basset, Francis Rodd, and John Rogers;[1] all connected with Cornish banking. They could also expect election for one or more years as mayor of their town or borough, or maybe as High Sheriff of the county, financially-onerous offices seemingly ideally suited to bankers. The expenses of sherivalty could outweigh the honour of appointment; and selected candidates often lobbied against their own election (Ivall 1992, 174-175). Mayors also, during their year of office, could be responsible on their own account for receiving the regular and incidental incomes of the borough. In Launceston during John Cudlipp's mayoralty in 1807-1808, the mayor paid the bills, and the salaries of borough officers, as they became due - with the surplus or deficit at the end of the term of office duly audited.[2] The credit of the borough thus rested on the credit of the mayor; Cudlipp was also a banker (section 6.1.1).

Apart from the peremptory initiatives of Francis Basset and others in raising companies of volunteers (section 6.3.1), the landed gentry could also expect and seek to be commissioned as officers in the local militia regiments; the organization and leadership of which could be seen as a duty and opportunity for personal advancement.

[1] CRO (Quarter Sessions), QS/1/5/1.34: Bodmin (1784).
[2] CRO (Launceston), BLAUS/246: mayoral accounts (1807-1808).

Commissions included Major James Willyams and Colonel Francis Rodd among banking partners (sections 6.2.2, 6.2.6). While such appointments could become mere acts of patronage, competent officers were in demand to provide leadership and organization in the frequent wartime emergencies that punctuated this period; and the militia were the key to the maintenance of civil order at a time when the elites were in fear of a repetition of the revolutionary events across the Channel, threatening the political and economic structure that had been the way of life for centuries (Knight 2014, 252-265).

In Cornwall as elsewhere, the established order was challenged by endemic social unrest and the growing movement for political reform. Religious dissent, of which Methodism was pre-eminent in Cornwall, provided a real and subversive spiritual alternative to the established Church, to whose dry forms and empty rituals adherence was expected; but allegiance was often no more than nominal (Rowe 1993, 67.1-67.40).

A sharp reminder of the other side of the socioeconomic picture is given by Hamilton Jenkin (1962), contrasting the miners' subsistence-level remuneration in a dangerous underground environment with the risk-free and unearned income of the mineral lords. Local insurrection within the mining community was an endemic possibility in the eighteenth century, and later in the troubled times of the hungry 1840s; sometimes manifesting itself in food riots in times of shortages and high prices (Hamilton Jenkin 1962, 152-153, 161-162, 258-265). An example was the riot in St. Austell in June 1847; mediated by Thomas Coode, as under-sheriff, and William Shilson.[1] There were others that year in Camborne and Redruth (Morrison 1980, 14). As well as being hungry, these were also the `angry Forties' (Heffer 2013, 36-49).

[1] *West Briton,* 18 June 1847.

The strategy of the landed and commercial interests was to shoulder the risks and burdens of the times, developing and exploiting the resources which they controlled:[1] to diversify their estate enterprises; to control politics to protect and enhance their position;[2] and maybe to start a bank and increase the availability of money and credit – placing the funds of depositors alongside their own extensive capital, making venturesome loans,[3] and issuing banknotes to supplement the chronic shortage of cash in the economy.[4]

While seeking profit and consolidating power, they sought to reinforce and uphold the established social and political order of which they were a structural part. As bankers and entrepreneurs, their necessary preoccupation would have been the maintenance of liquidity in the face of unlimited liability. As will be seen in chapter 6, for some prominent Cornish families banking could be a synergic extension of their property, mining or trading interests; and some of the banks created by and within this elite group proved to be sustainable over the next century and beyond. The most successful of these institutions were, or became, close-knit associations of two or three families, interconnected by marriage and following each other in successive generations. This applies particularly to the Bolitho partnerships (sections 6.4.3, 6.4.5). The interconnectedness and political alignments of the leading Cornish families were such that any assessment of the structure of early Cornish banking depends on a prior understanding of the wider relations between its partners and their family, business, social and political connections. It is also essential to clearly establish the identities of the individuals involved. While rigorous in-depth published biographies are lacking, detailed but fragmentary pictures of individual bankers and their institutions can be drawn from their scattered appearances in the secondary literature; and from the rich array of primary archival material.

[1] As did Sir William Lemon with his large mining investments (section 6.2.2).
[2] In his youth, Joseph Austen did both to eventually become regarded as the `King of Mid-Cornwall' (Keast 1982).
[3] Almost as venture capitalists; Brunt cites the Cornish Bank as his exemplar (Brunt 2006, 77-88; and see further below, section 6.3.1.1).
[4] The Cornish Bank's new note issue of 1802 was a response to the `inadequacy' of the Bank of England's issue (Pressnell 1956, 27, and section 6.3.1.1)

It has been necessary in several places to distinguish carefully between cousins with the same names, and to avoid the all-too-easy conflation of generations. For example, in the cases of Basset and Eliot, there has been a need to refute the apparent presence of schoolboy partners; and in the case of Praed, to clarify the distinction between William Praed of Cornwall and William Mackworth Praed of south Devon (section 6.3.1). It has also been necessary to delineate the Grylls family in the Helston Union Bank from their distant cousins in the West Cornwall Bank (section 8.6.1). Establishing dates of birth and death brings precision; and often greater insight when ages are known, as in the cases of James Willyams and Cordelia Vivian (sections 6.2.2, 8.6.3). The identities of the principal actors become more firmly established through knowledge of their pedigrees, connections, antagonisms and political affiliations. In terms of the theoretical patterns discussed in chapter 4, this extended social structure based on familial wealth, social strength and political power displays the attributes of *Gemeinschaft*; with relations constructed in the socioeconomic landscape between neighbours and through family alliances. In passing, it may be mentioned that the mining community had a similar pattern of familial social relations, facilitating what Deacon has called the `economy of makeshifts' (Deacon 2007, 126-127).

5.3 Commercial power and control in the Cornish economy

The Cornish economy had been monetized from an early date; by the fifteenth century, there was widespread production of tin, fish and other tradable commodities available for exchange in an international market (Hatcher 1970, 29-36). It was natural for the trading function to become developed by a merchant elite, one moreover which by the eighteenth century was entering more fully into the experiences of emerging empire. Examples of individuals prominent in this elite group include Francis Arundell and Arthur Martyn, trading in the Mediterranean in the early part of the eighteenth century, with Cornish tin and pilchards forming a significant part of their export business, and supportive of the British presence in northern Italy in this period (Palmer 2008, 56).

The sustained development of Cornish maritime trade accumulated capital in the hands of ship owners and merchants; tin smelting also came under their control, owing to the growing dependence of smelters on imported fuel, as coal from South Wales replaced charcoal from rapidly-dwindling Cornish woodlands (Rowe 1993, 9-10). Alongside the financial enterprise of the landed elite, commercial banking in Cornwall also grew in part out of this merchant-dominated smelting industry in the eighteenth century. Smelters, pre-eminently the Bolithos (section 6.4.3), were enabled to give credit; both to tinners accumulating stream tin in a small way, against accreditation and sale at the next quarterly (originally half-yearly) coinage (which was the only legal opportunity of disposing of their product); and to operators of larger-scale mining operations such as John Borlase of Pendeen and Nicholas Donnithorne of Polberro. Tin streaming declined in importance and mines became deeper and more capital-intensive; the small groups of miners, with only their own tools as capital, gave way to cost book companies employing teams of specialists; and management and finance became a function distinct from ownership (Rowe 1993, 11-13, 40-41; and section 6.2.1).

Control of the whole trade in tin appeared to be within the grasp of the new commercial elite. After the disappointing financial results of the midsummer tin coinage in 1772, James Vivian of Pencalenick, smelter and Sheriff of Cornwall in that year, convened `a general meeting of the Tinners of Cornwall' at Truro; this meeting resulted in the formation of the Cornish Tin Company to buy up tin stocks and maintain prices for the benefit of the Cornish industry as a whole in a time of acute depression. The directors of this company included Sir John Molesworth (president, and founding partner in the Cornish Bank); his colleague in the bank Humphrey Mackworth Praed; merchants James Blewitt (Penzance), William Cornish (Gweek) and Thomas Daniell (Truro); and Philip Richards of Penryn, partner in the Miners' Bank and adventurer in Tincroft, Dolcoath and other Camborne mines (sections 6.2.2, 6.3.1). This venture was ineffective in its objective, as major players in the industry like Bolitho, Oxnam, Daubuz, Williams and Lemon did not participate (Rowe 1993, 59-60); but it shows the embeddedness of early banking in the enmeshed commercial and industrial

politics of the time, and the extent and power of individual connections. The emerging commercial elite took its place alongside the landed gentry, and the Bassets came to dine with Thomas Daniell and Matthew Boulton (Stacey 2011, 10).

Where the Tin Company failed, the Cornish Copper Company was more successful as an organization, being defeated in its original purpose of bringing the smelting of copper into Cornwall only by the economics of the industry, which favoured bringing the ore to the coal in South Wales. Close study of MacKenzie's account of the trade in Hayle (MacKenzie 2007) reveals an intricately-woven network of business relationships brought together along familial lines. The names of Vivian and Trevenen were prominent alongside those of Hawkins and St. Aubyn in the formation of the Copper Company in 1758; and were later associated by marriage with the Grylls family and the Helston Union Bank (section 8.6); while Joseph Carne the Penzance banker was its manager from 1807 to 1818 (section 6.4.1). A different and competing strand on the Hayle waterfront brought together Millet and Ellis; the latter a name which came to dictate the fortunes of the rival Helston Banking Company (section 8.6.2).

As a third example of the almost kaleidoscopic rearrangements of names in the organization of Cornish industry, the tin smelting business of Sawle, Fox & Co. was continued for a further fourteen years by a copartnership agreement of 1795. For fuller details see Table 6.19 (section 6.5).[1] It included, alongside Mary Sawle (sister and executor of John Sawle), three members of the Fox family; Francis Rodd and John Gould, later partners in the Miners' Bank (section 6.2.6); the Rev. Henry Hawkins Tremayne of Heligan, frequently met with in mediatory and agency roles (sections 6.2.5, 6.3.1); and Charles Rashleigh, a founding partner in the St. Austell Bank (section 6.4.4) – all names with extensive involvements in many different segments of Cornish economic and political life.

[1] CRO (Rodd), RD/1149: copartnership agreement, Sawle, Fox & Co (5 May 1795).

5.4 The origins and development of banking: the wider context

5.4.1 Banking from above: the foundation of the Bank of England

In the early modern English state and economy, financial services had been the necessary adjunct to trade since the medieval period. A long succession of banking proposals, aimed at remedying its perceived financial ills, formed a discourse extending over more than a century from Elizabethan times. Inspired by experiences in the financial centre of Amsterdam and the mature banking systems that had originated in Renaissance Italy, these proposals culminated in the formation of the Bank of England in 1694 (Richards 1929): a reality at last planted in the emerging private banking system of the nascent City of London; where private banks familiar in later years, such as those of the pioneering Sir Francis Child (Hilton Price 1891, 30-37) and John Freame (Ackrill and Hannah 2001, 5-12), were already well-established. Earlier in the century, banking was already becoming a distinct, separated function with the London goldsmiths (Joslin 1954, 168).

The Bank was founded as a political act to finance the pursuit of the increasingly expensive geopolitical military objectives of the state; although it was established as, and remained, a purely commercial venture. Its form and joint-stock organization, selected from among many competing schemes, were practically-based on the existing chartered trading companies such as the East India Company (Andréadès 1909, 120). Its commercial practices followed those of the private banks that became its competitors and sometimes its antagonists (Carruthers 1994, 170). As a commercial entity, it was expected to survive by its own enterprise, with the directors acting on behalf of the shareholders to maximize its profits. It had no statutory duties or obligations; the state was merely a client for its services, and it was only through the long devolution of usage that it became the custodian of the ultimate cash reserves of the nation. This was recognized by later writers such as Magens, who thought it improper to regard the Bank as a national institution (Magens 1804, 23), and Bagehot,

who stressed the informality of any accrued monetary responsibility (Bagehot 1999 [1873], 160-161).

As a political creation, it was under attack from the very beginning; directly by those wishing to start a run and put it out of business, and indirectly by continuing attempts to float rival schemes. Effectively, the predominantly metropolitan Whiggish monied interest created the Bank; while the predominantly Tory country landed interest believed that land ought to be the underpinning security of credit, conceptually favouring rival schemes such as Chamberlen's Land Bank, which received official authorization in 1696 but failed to attract investors (Carruthers 1994, 169-172; Andréadès 1909, 67-71, 103-113). The Bank of England secured a renewal and extension of its charter in the following year. The failures of other joint-stock ventures in a highly-speculative age led to the protective Act of 1709 whereby the Bank of England was given a monopoly of joint-stock banking in England and Wales, with all other banks limited to six partners (Andréadès 1909, 121-123); this legislated monopoly dictated the structural development of banking, for better or worse, for over a century until 1826, with all other financial activity conducted by individuals or small partnerships. Otherwise, apart from the continuing imposition of the vestigial usury laws, banking was entirely unregulated. This led to provincial banking beginning in small, local and multifarious ways; but it was slow to develop until the end of the eighteenth century (Pressnell 1956, 4-6).

In Scotland, the six-partner rule did not apply, and provincial banking began with the Aberdeen Banking Company in 1747, which had opened seven branches by 1770 (Munn 1981, 10, 173). The Bank of Scotland had been established by charter on joint-stock principles in 1695, strictly for commercial purposes. With the Royal Bank of Scotland following in 1727, joint-stock organization predominated in Scottish banking from the outset (Checkland 1975, 23-28, 59-60). The `striking' expansion of branch networks after 1850 (Checkland 1975, 520) challenged the independent local banks, which had all gone by 1864 (Munn 1981, 80-100). The cash credit system, begun by the Royal Bank in 1728 and based on guarantors rather than collateral (Munn 1981,

3), was also a distinctive factor in the growth of Scottish banking, which thus followed a different development path that even in the twenty-first century remains manifest in its separate banknote issues. The Bank of Ireland had likewise been chartered in 1783; joint-stock banking was permitted from 1821 and quickly adopted, with no private banks remaining in Ulster after 1827 (Ollerenshaw 1985, 97-98; 1987, 29).

5.4.2 Banking from below: local institutions from local needs

In the earlier eighteenth century, social and economic capital had traditionally been vested in land, and political power and social credit drawn from it, especially when currency was scarce (Muldrew 2001, 98); but other outlets for the allocation of funds and entrepreneurial energies were becoming available and were actively sought. The funding of the public debt offered secure and steady returns for investors, alongside the few chartered joint-stock trading companies (such as the East India Company and the Bank of England); legislative restrictions on the formation of new joint-stock companies, following the scandal of the South Sea Bubble in 1720, meant that in general the risks and rewards of new ventures were taken locally by individuals and partnerships; with major capital projects like canals and turnpikes authorized by individual Acts of Parliament (Quinn 2004, 151-161). In a predominantly agrarian economy deriving value from land and rents according to legal title, long-term finance took the form of mortgages, customarily arranged through the legal profession (Pressnell 1956, 37).

In this context, country banking became established from the 1750s onwards to address local transactional needs, in a financial landscape determined by the social credit networks of earlier periods. The extension of credit was traditionally based on the reputation, social standing and perceived wealth of the client; as well as on prospects for further business. As yet, both family and society continued to view wealth in a traditional way: as a household resource conferring social advantage, rather than as the accumulation of mere financial

profit (section 4.2 and Table 4.1); creditworthiness depended on social standing, alongside transactional performance and punctual settlements (Davidoff and Hall 1987, 199; Muldrew 2001, 81, 83-85). This can be regarded as a form of social capital, increased by community and civic involvement (broadly following Realo *et al,* 2008, 448-450); here taken to mean public-spirited social and political collaboration, and the holding of public office. In Cornwall, the `great Mr. Lemon', grandfather of the founding partner in the Miners' Bank (section 6.2.2), acquired social status in this way alongside economic wealth; coming to share more fully in the wider socioeconomic advantages traditionally enjoyed by the Bassets and Bullers, St. Aubyns and Eliots (Tangye 2002; Gill 2011). The realized ambition of the Williams family was the same (section 6.3.2).

At all levels in a *gemeinschaftlich* society, created by family values and innate kinship affinities, individual reputations had to be made through active participation in its social and business transactions (section 3.1). Creditworthiness was established and sustained, and social capital created, by the trust emanating from these transactions. Honest and honourable dealings, and social prominence in the transactional landscape, increased the radius of that trust both in the community and across commercial networks: the radius of trust was a function of social capital (Realo *et al* 2008, 450). In the view of the contemporaneous writer Magens Dorrien Magens, the profitability of localized country banking was a social as much as an economic outcome, in that it was intimately bound up with the fortunes of the clients in the surrounding community (Magens 1804, 35-39). In a banking business conducted chiefly within a localized social and commercial environment, success was achieved when `everybody is satisfied, and everybody is pleased' (Magens 1804, 37); and, in a business upon which the commerce of a district could come to depend, profit was thus a social as much as an economic reward - imparting a social construction and social responsibilities to the accumulation of private wealth. The success of such a locally-based business, in pursuit of its own profitability, would therefore depend on increasing the welfare of local society at large, and of the business community in particular. However, this implicit,

collateral social objective would not necessarily be consciously pursued by the diverse businesses that were venturing into banking to profitably serve their own financial ends.

5.4.3 Entries into banking

This section aims to provide a broad overview of the emergence of banks in the financial landscape; both generally and with reference to the Cornish experience discussed in detail in succeeding chapters. Pressnell gives many diverse examples of partial or full entries into banking across England and Wales (Pressnell 1956, 28-36). In the formative years before 1820, alongside the first formally-established institutions such as the Miners' Bank and the Cornish Bank, anyone could offer banking services; usually as an adjunct to their main commercial activity (Pressnell 1956, 12-13). The impetus to banking development in Cornwall came principally from the legal profession and their clients the landed gentry, from merchants and traders, from the particular requirements of investors in the mining industry; and from process industries, typified in Cornwall by tanning rather than brewing.

THE LEGAL PROFESSION, with its longstanding social function in the facilitation of transactions (section 5.4.2), led the way on Merseyside (Anderson 1969), in west Yorkshire (Miles 1981; Hudson 1986, 211-217), Belfast (Ollerenshaw 1987, 5-8), and not least in Cornwall. Browne and Wallis were the pioneers in Bodmin (section 6.1); and Coode, Rashleigh and Kempthorne started the St. Austell Bank in 1793 (section 6.4.4). While anyone with sufficient personal credit could match available capital to investment opportunities - estate stewards like Zephaniah Job (section 6.1.1), managing their employer's money, were well-placed – it was attorneys, accustomed to reducing all kinds of both formal and casual transactions to legally-enforceable contractual obligations, who had both legal and financial expertise, and had been managing money on behalf of others for generations in various ways (Miles 1981, 128-129; Mathias 1984, 152-153). Besides handling the conveyance of property,

and dealing with payments as trustees and estate managers, they would be seeking investment outlets for their clients' funds, and have cash in hand. As receivers of rents, they were accumulators of coin in times of general currency shortage. With their intimate knowledge of their own community, they would be able to make short-term informal loans locally, alongside transactions beyond the immediate radius of trust facilitated by their external networks. In Yorkshire, for instance, they had connections through their involvements with canal companies. Everywhere, there was networking between attorneys at assizes and quarter sessions; as well as with closer, more regular associates. They were also able to broker larger loans from a variety of sources; an intricate business in the absence of institutional intermediaries. Through their agents in the London courts, they had access to larger sources of funding in the City, as well as opportunities for investing their clients' money: as executors of trusts, they had access to funds for long-term lending. In areas remote from the financial opportunities of the City, like Yorkshire and Cornwall, the trusted family attorney was preferred as a financial intermediary; and this persisted into the banking era. The attorney's reputation augmented that of the client; and high standards were imperative. Unscrupulous or insolvent practitioners could quickly bring the whole profession into disrepute (Miles 1981, 130-141). As prominent public personalities in a district, attorneys were well-placed to undertake the collection and remittance of government tax revenues. This was a slow business, accumulating large sums capable of other uses along the way before they were due for remittance (Pressnell 1953; 1956, 56-59; Joslin 1954, 167). Such agents would be seeking profitable usage for the revenue while in their hands. Lending against a large accumulating cash balance, they would need to have sufficient funds available when the remittance of the revenue collected was due (Pressnell 1953, 379-381). In east Cornwall, Thomas Robins (section 6.4.5) acted as government stamp agent. All this diverse proto-banking activity had to be kept in equilibrium, and liquidity maintained (Miles 1981, 134); it was then but a small step for attorneys to become full-time bankers.

LANDED GENTRY: Another group requiring remittance facilities was the landed gentry, with their metropolitan connections, lifestyles and parliamentary

involvements, needed to move funds accumulated in the country to where they were required in town. They would also need to invest accumulated income, or cash in hand received but not immediately payable. It was therefore natural that they would take an interest in banks with metropolitan connections that would suit their transactional needs in town and country, balancing their seasonal social and parliamentary expenditure in London with the seasonal payment of rents by their farming tenants after harvest and market (Melton 1986). The prominent Cornish case considered in this study is that of John Buller (section 6.2.4).

MERCHANTS in trade extending, controlling and receiving credit, and using bills of exchange to create circulating capital, would regard banking as a natural commercial progression, as did the Bolithos with their widespread and diverse dealings (section 6.4.3). The credit period in merchanting was a spatial function of delivery over distance and time. For maritime trade, the period was longer and the risks greater. For the pilchard fishery, the catch was unpredictable, and processing and delivery of the perishable product had to be expedited; fixed capital was idle for long periods, and expenses sudden and heavy (Pawlyn 1998). Banking functions, maybe only occasional at first, could became a necessary adjunct to commercial operations; and would in the beginning simply be incorporated into existing working methods. Zephaniah Job at Polperro is a visible example of this development (section 6.1.1; and Johns 2008, 125, 126). They would be regarded as an additional service to clients: notes or tokens to supplement scarce currency, or routine discounting of customers' bills of exchange in the course of other business, could lead to bill discounting becoming a service in itself. In the dense transactional networks of Lancashire and Yorkshire, many traders also acted as bankers (section 2.2.3); although elsewhere, other issuers of notes and tokens consciously stopped short of doing so (Pollard 1968, 239).

A MINING OR MANUFACTURING CONCERN would have heavy and regular cash payments for wages and the purchase of materials, unrelated to the cash flow from possibly irregular sales of the finished product, which would require

further investment in inventory. This was particularly an issue in the Lancashire cotton industry under the wartime conditions pertaining in the years around 1800 (Chapman 1979, 56). In the Yorkshire woollen industry, banking and manufacturing were overlapping functions (Hudson 1981). In Cornwall, it was the merchants supplying materials who provided the credit which sustained mining development (Lewis 2006, 170-172); but it was the mine adventurers themselves who stood most in need of banking services, having sudden surpluses accruing, and sudden demands to meet: in both cases irregular and in large amounts (section 6.2.1). They bore the risk in providing the capital for illiquid investment in buildings, plant and equipment yielding longer-term returns. The cost book system did not reinvest profits; nor did it use running overdrafts for financing investment as well as circulating capital, unlike the Lancashire and Yorkshire textile industries (section 2.2.3). Despite the speculative nature of capital investment in developing mines, the early Cornish Bank nevertheless took a leading part in advancing credit (section 6.3.1.1). Mining, industrial and merchanting interests generally overlapped in Cornwall, as they did in the Fox family (section 6.5).

PROCESS INDUSTRIES: In London, the brewing industry was closely associated with banking, from the middle of the eighteenth century onwards; with major figures like Truman and Whitbread involved in savings and loans with their associates, employees and the general public through savings clubs in their networks of tied houses. The trade was cash-rich from its rents and retail sales in an age of currency shortage, readily able to pay its wages in cash without resorting to note issues; it had heavy seasonal requirements for credit in its purchases of malt and hops in autumn, while winter brewing and sales brought in cash surpluses available for short-term loans. To sustain and develop production, the expansion of its outlets and plant called for increasing investment from new and wealthy partners (Mathias 1959, 269, 277-279, 281, 300-302, 329). Through their Quaker connections (there was no disapproval of the trade), the Gurney and Barclay families became closely involved in brewing (Ackrill and Hannah 2001, 36-37; Mathias 1959, 287-289). Edward Angove in Falmouth was a brewer turned banker who did issue notes (Mathias 1959, 329;

Outing 2010, 132, 437); suggesting that the much smaller scale of Cornish brewing did not generate large cash surpluses. For John Wallis and Richard Foster (sections 6.1.1, 6.4.5), brewing was no more than an adjunct to their other activities. In Cornwall, it was the tanners (Bolithos and Fosters, sections 6.4.3, 6.4.5) rather than the brewers who turned to banking; their financial situation had many similarities. The longstanding traditional process from raw hide to finished product had always taken time, requiring credit before sales were realized; inputs of hides and bark were seasonal. Mechanization had little impact until the later nineteenth century, when new and faster chemical methods came into use (Church 1971, 549-550).

5.4.4 Transactional functions in early banking

Apart from the provision of credit in the form of loans and overdraft facilities, or what the London goldsmiths of an earlier era had called `running cashes' (Ackrill and Hannah 2001, 3), banking businesses could also develop from other transactional services.

5.4.4.1 Transacting bills of exchange

For merchants and traders, it was a natural progression from supplying goods on credit to lending money in the same way. Bills of exchange arising from credit transactions were the regular negotiable instruments of trade (Pressnell 1956, 19), and could become a form of currency, as they did in Lancashire (section 2.2.3). The reliability of payment on the date specified was their most important feature; the nature of the transaction represented by a bill faded into the background as it was endorsed, discounted for cash, and passed on to other parties in payment of other debts (Ashton 1945, 25). This was done on the strength of the integrity and reputation of the issuer. Providing ready money for the bearers of bills, and assessing the worth of the document, was a basic banking function (Rae 1890, 70-78). It was possible to draw an `accommodation

bill' without any transfer of tangible value in the form of goods or services. Thus lacking collateral, these were validated by local trust alone, were not generally negotiable outside the small radius of that trust, and came to be viewed with great suspicion by bankers (Rae 1890, 79-83).

5.4.4.2 Token and note issues

The available means of payment could be enhanced through token or note issues supplementing a failing currency (Pressnell 1956, 14-17). This function stemmed from the deficiencies in the money supply in the late eighteenth century. Though a macroeconomic responsibility of government, endemic shortages of cash for payments, particularly small change, were a consequence of its continuing failure over many decades to mint and maintain a sufficient coinage. The monetary and fiscal objectives and priorities of central government were frequently at considerable variance with the geographically diverse transactional requirements of the population at large; for example, scarce coin might be melted down and exported if the price of gold was favourable (Pressnell 1956, 14-15). With insufficient money in circulation, local traders and large employers issued their own tokens, which were accepted and circulated locally as a substitute. These tokens could be spent, or in some cases they could be accumulated and redeemed for currency. An example of this in Cornwall is Williams' `Cornish Penny', which was issued in wage payments and was widely accepted throughout the area of its circulation; 240 of them were exchangeable for £1 at the Williams office at Scorrier House (Dirring 2007b, 13; Mathias 1962, 41-44; Pressnell 1956, 22-23). Token coin issues generally were prohibited in 1812 (Crick and Wadsworth 1936, 13).

Beyond tokens, notes for much larger values could be raised and issued, payable on demand. They can be seen as a specialized form of accommodation bill, with no time limit on their redemption. They began as promissory notes made out to specific individuals, and negotiable in transactions if the issuer had integrity and standing in the community. An example from a London bank, Sir

Francis Child & Co, issued on 22 January 1735, is inscribed `I Promise to pay Roger Millart Esq. or order on Demand One Thousand & Twenty Five pounds' (illustrated in Outing 2010, 358). Passing from hand to hand, any of the subsequent bearers of such a note could present it to the issuer for payment on demand at any time. As a note issue became established, the denominations became fixed, and the notes themselves a printed medium of exchange. Inscribed in the familiar form `I Promise to pay the Bearer …' they would become popular as their convenience was realized in the transactional community. This is seen on the many Cornish examples illustrated *inter alia* in Outing's catalogue (Outing 2010, 420-487). By issuing notes in repayment of deposits, or as advances of credit upon collateral, to pass into general circulation (Magens 1804, 36-38), money was being endogenously created within the community (Dirring 2007b, 25-27).

Note issues became the main contact of the public at large with banking; they might receive and spend notes as money in the ordinary course of transactions without having bank accounts of their own (Pressnell 1956, 136). Long-established issues were familiar in their localities; and in some cases readily accepted in preference to Bank of England notes (Rae 1890, 157-158), as was the case in east Cornwall (section 6.4.5): eloquent testimony to the primacy accorded to the local institutions over that of the remote metropolis, and to the endogeneity of the local money supply. Seasonal fluctuations in note circulation were related to local trading conditions, largely independent of macroeconomic factors affecting the money supply in London. However, while deposits increased over the years, the notes in issue declined as cheques were found to be a more convenient means of payment, and Bank of England notes became better-known and more acceptable (Armstrong 1937, 85-94): they had become legal tender in 1833 (Collins 1984, 45).

In the early stages of institutional development, individual reputation and social standing were everything; continually at risk alongside the bankers' other assets. It would determine whether the public would deposit money in the bank, whether they would accept the bank's notes when making withdrawals; whether

those notes would be acceptable at large in the transactions of the local economy; and how widespread their usage would become. The radius of trust was a function of social capital (section 5.4.2; Realo *et al* 2008, 450). As a bank's note issue gained respect in a widening community, it also engendered an increasing social responsibility as it became a medium of saving as well as circulation (Fitzmaurice 1991, 21). Loss of value could be the ruin of many if the bank failed in its obligations to the bearers of its notes, as happened in Mevagissey in 1824 (section 6.6.2).

5.4.4.3 Deposits and social responsibility

The facilitation of `payment, transfer and remittance' was of `peculiar importance' during the formative period of country banking (Pressnell 1956, 136). In particular, the repayment of deposits, which might represent a depositor's life savings, bore a heavy social responsibility, as it did in Mevagissey in 1824 (section 6.6.2). Routine dependence on the banker's ability to pay on demand would grow from the beginning, emphasising this social responsibility. The extreme case of a run, with many depositors or note bearers demanding payment simultaneously, was the ultimate test of financial integrity and managerial skill. For those not fully committed to banking, a position might quickly be reached in which the banking functions could no longer be contained within the general run of their business, and had to receive particular and separate consideration. The maintenance of sufficient liquidity to meet obligations, and the need to generate income from the lending and investment of deposited funds, could quickly exceed the capabilities, resources and opportunities available in house or within the immediate commercial network. It was necessary for the banker to build up a carefully-managed investment portfolio balancing return and liquidity; but the ability to do this depended on the demand for credit and the available opportunities for investment. Assets immediately to hand needed backing by deposits and prenegotiated borrowing facilities at a London agent, reflective of the creditworthiness of the banker

(Pressnell 1956, 116-117); further supported by the agent's own standing in the City, and ability to rediscount bills (Black 1996, 119).

5.4.5 A challenging environment

Opportunistic in their beginnings, the emerging bankers in Cornwall faced immediate challenges in an industrializing *laissez-faire* age of opportunity and uncertainty, disrupted by the exigencies of war with France (section 5.1.1). In brief, wartime risks arose from currency shortages impairing the ability to pay, as well as delays in payment leading to involuntary extended credit; and above all from the nervousness of clients shaken into mistrust by the uncertainties of war. A sudden loss of confidence in the country following events in early 1797 (section 5.1.2) led to widespread runs on banks, and a demand for gold currency which the Bank of England could not meet. On 27 February, Pitt's Order in Council relieved the Bank of England of its obligation to make payments in gold; Britain was now dependent on a non-convertible paper currency, in which the country banks' note issues were backed only by local reserves and London credit (Clapham 1944, II, 1-4). This suspension of cash payments, expected to be a temporary condition, lasted until 1821. During the suspension period, country banking responded readily to the growing need in an industrializing war economy for commercial credit and investment. Many new banks were started across England, Wales and Cornwall (there were over 700 by 1810); few turned out to have long-term prospects (Clapham 1944, II, 1-2). Table 6.1 (section 6.1) shows the known Cornish examples.

5.5 Introduction to the detailed historical narrative

The narrative begun in the layered Cornish landscape and its familial social structures now turns to a detailed investigation of the development of individual institutions in chapters 6 through 9. The complex detail emerging from the

research conducted here suggests division of the narrative into four broad and overlapping phases of development:

(1) The *laissez-faire* age of the private partnership; 1770-1844 (chapter 6);
(2) The emergence of joint-stock banking, 1832-1870 (chapter 7);
(3) Private banking in a corporatizing world, *circa* 1840-1879 (chapter 8);
(4) Limited liability, institutional expansion and amalgamation, 1879-1922 (chapter 9).

This periodization is marked out in part by two significant events: the beginning of joint-stock banking in Cornwall in 1832, following legislation which ended the old six-partner rule which had hitherto dictated the form of banking in England, Wales and Cornwall (sections 7.1, 7.2); and 1879, the year the Cornish Bank failed; after which there was an accelerating movement into corporate banking with limited liability (section 9.3), during the final period up to the last round of amalgamations in the early years of the twentieth century. The City of Glasgow failure in October 1878 (Checkland 1975, 469-477), immediately prior to that of the Cornish Bank in January 1879 (Fitzmaurice 1991, 15), marked the decisive point at which British banking generally turned away from unlimited liability and private partnerships (Acheson and Turner 2008).

The narrative is conducted through the medium of a punctuated series of contrasted case studies, featuring the principal banks and most significant financial experiences; these are related to each other and also to comparable experiences elsewhere in Britain. To a degree, the selection has been constrained by the extent and quality of the available source material. The various case studies as presented cut across this periodization somewhat, to focus on the ongoing continuous development of their respective institutions. As explained above (section 4.5), morphological change takes precedence over organizational typology in the construction of the narrative. The joint-stock banks, which actually had little in common, are not taken together; but are discussed in their more relevant immediate contexts.

CHAPTER 6

The *laissez-faire* age of the private partnership, 1771-1844

6.1 Individual pioneers; a multiplicity of small banks

As noted above (section 5.4.3), it was very often local attorneys who were the first bankers, as they had long acted as financial agents in property conveyancing, investing surplus funds, or in seeking sources of finance (Pressnell 1956, 36-40). Traditionally, their clients would also direct them to place surplus funds in income-earning investments; which was usually done by placing the money locally as opportunities arose (for West Yorkshire, see Hudson 1986, 211-213). Long used to handling their clients' financial affairs, attorneys were natural pioneers in banking; but many participated only as an extension or adjunct to their main activity.

Those who did make more of the financial opportunities included one of the first identifiable bankers in Cornwall. George Browne was an attorney practising in Bodmin between 1744 and his death in 1795; and also offered banking services, joining in intermittent partnerships with John Bennett or John Wallis. From 1783 to 1790, Browne and Wallis had a presence in Bude, continued by Wallis until 1826 (Outing 2010, 73). His grandson, George Francis Collins Browne, involved in banking in Launceston, later became a partner in the North Cornwall Bank (sections 6.1.1, 6.6.1; Boase 1890, col.1329). Richard Pidgley (1740-1802), sometime Recorder of Falmouth and benefactor to the town, is noted by Susan Gay as another early banker (Gay 1903, 82). By the 1790s, financial services were being offered in several Cornish towns, in the main by attorneys or traders experimenting with banking as a specialized subsidiary activity; some maybe not fully in the sense defined in section 1.6. Following Black's usage for the early goldsmith-bankers in London (Black 2003, 30) some of these may be characterized as `proto-bankers'. While some have left little trace beyond their names or surviving banknotes (catalogued by Outing 2010),

others have a greater visibility. They are summarised as a matter of record in Table 6.1.

Table 6.1

Chronological summary of banks started between 1771 and 1822

Compiled from Boase (1890; column references given); augmented by additional banknote evidence from Outing (2010) and Kirch (2012). Section references are to further discussion elsewhere in the present work. Notes to the Table follow on the next page.

Begun	Bank or banker		Location	Ended	Section ref	Boase col
1771	Miners' Bank		Truro	1890	6.2	1347
	Cornish Bank		Truro	1879	6.3	1347
1781	Carne & Co.		Falmouth	1825	6.5	1331
1782	Joseph Banfield & Co.		Falmouth	1823	6.5	1331
	Hugh Edwards & Co.	[1]	St Ives	1814	-	1345
1784	Christopher Wallis & Co.		Helston	1826	-	1332
1788	Helston Union Bank		Helston	1879	8.6	1333
1789	Zephaniah Job		Polperro	1822	6.1.1	-
1790	Gundrys & Co.		Goldsithney	1820	8.6.1	-
	John Wallis		Bodmin, Bude	1827	6.1.1	1328
1792	Scobell, Blewitt & Co.	[2]	Penzance	1795	-	-
1793	St Austell Bank		St Austell	1920	6.4.4	1343
1795	Penzance Bank		Penzance	1896	6.4.1	1340
1801	Thomas Rawlings & Son	[3]	Padstow	1820	-	1339
1806	Cornish Naval Bank		Falmouth	1879	6.3	1331
	Snow, Rowe & Co.	[4]	Torpoint	1808	-	-
1807	Mevagissey Bank		Mevagissey	1824	6.6.2	1338
	Mount's Bay Commercial Bank		Chyandour	1889	6.4.3	1340
	East Cornwall Bank		Liskeard	1889	6.4.5	1335
	Kingdon & Co.		Stratton	1811	-	1345
	Tamar Bank		Launceston	1811	6.1.1	1335
	Truro Commercial Bank		Truro	1836	6.1.1	1347
1808	Hill & Co.		Launceston	1811	6.1.1	1335
	Fox family		Perranarworthal	1814	6.5	1331
	James Halse (d. 1838)		St Ives	1814	-	1345
1809	Cudlipp & Co.		Launceston	1811	6.1.1	1335
	J. Penberthy		Helston	1810	8.6.1	-
	Pryce & Co.		Redruth	1820	6.1.1	1342
	Edward Angove		Falmouth	1812	5.4.3	-
1810	Penzance Union Bank		Penzance	1836	6.4.2	1340
	Pearce, Hambly & Co.	[5]	Camelford	1839	-	1330
	Vevers Robinson & Co.	[6]	Fowey	1811	-	1332
	Pyder Bank		St Columb	1810	6.1.1	1344
1811	North Cornwall Bank		Bodmin	1823	6.6.1	1328
	Brown, Harvey & Co.		Launceston	1825	6.1.1	1335
1812	Andrew Vivian		Camborne	1819	6.1.1	1329
	Crinnis Bank		St Austell	1819	6.1.1	1343
	Trewella & Hocking	[7]	St Ives	1817	-	-
	John James	[8]	St Agnes	unknown	-	-
1812	Jonathan Binns & Son		East Looe	1819	6.6.2	1338
	Great Hewas Bank		St Mewan	unknown	6.1.1	-
1815	Richards	[9]	Looe	1815	-	-
1817	William Glasson		Falmouth	1822	-	1331
1818	Kitt-Hill Bank	[10]	Callington	1818	-	-
1820	Illingworth, Esdaile & Co.	[11]	Bude	unknown	-	-
1822	Fowey Bank	[12]	Fowey	1825	-	-

NOTES TO TABLE 6.1

[1] Hugh Edwards until 1802; then with Sir J.W. White (Outing 2010, 275)
[2] Outing 2010, 249.
[3] Outing 2010, 248, 470 (illustrates £1 note dated 1817).
[4] John Alexander Snow, Rowe & Co.: £1 and £5 notes (Outing 2010, 317; Kirch 2012, 53).
[5] The Camelford Bank. Thomas Pearce died in 1826.The end date is from Outing (2010, 80).
[6] Outing 2010, 135. Reports of its failure and resumption in 1810 appear in the *Royal Cornwall Gazette,* 4 August and 24 November 1810.
[7] Christopher Trewella and James Hocking (Outing 2010, 275)
[8] `Rosemundy', St Agnes; an undated, unissued £1 note (Kirch 2012, 25) is inscribed `J.J.', which may relate to John James, active in 1812 (Outing 2010, 269, 273).
[9] Outing 2010, 199.
[10] William Couche, William Hickes Horndon & George Parminter; represented by an undated, unissued £1 note (Outing 2010, 78, 427; Kirch 2012, 20). Partnership dissolved, 5 April 1818, on the death of William Couche; but not reported until 11 May 1822: *London Gazette,* http://www.thegazette.co.uk/london/issue/17830/page/1078/data.pdf
[11] The only evidence is a banknote issued on 13 November 1820 (Hicks 1950-1951, 184; Outing 2010, 73).
[12] Sir Walter Roberts Bt.; £1 note (Outing 2010, 135; Kirch 2012, 17).

The prominent Foxes of Falmouth tried banking briefly (section 6.5); while other attempts by family businesses, such as that of the Rawlings family in Padstow, were terminated by the death of the founder.[1]The wartime boom years 1807-1809 in particular were a period in which many small independent banks appeared in Cornwall, many of only short duration - in sharp contrast to the enduring Bolitho enterprises (section 6.4), which were also started in 1807. Note issues began to be licensed in 1808, and were renewable annually;[2] annual returns classified by county were collected and published until 1822 (Pressnell 1956, 148, 152). Returns for Cornwall are summarized in Table 6.2.

Table 6.2

Banknote licences issued in Cornwall, 1808-1822

	Licences issued	Operational banks
1808	36	24
1812	23	30
1815	21	25
1822	12	21

Sources: operational banks from Table 6.1above; licences issued, Pressnell 1956, 152, table 9

[1] *Royal Cornwall Gazette,* 8 December 1820, 1: closure and dispersal notices.
[2] The enabling Act is 48 Geo III, c.88; an example is found in CRO (Willyams), W79: Miners' Bank papers, banker's licence (11 October 1808).

From Table 6.2, the sufficiency of the list of bankers given in Table 6.1 can be assessed. In 1808, the first year of licensing, there were more licences issued than issuers known to the present study. This indicates the existence of other issuers not yet found; or maybe that licences were issued but not used. The lesser numbers after 1812 can indicate that not all of the later practitioners were issuing notes.

6.1.1 Some entries and exits

The diversity of the origins of Cornish banks is shown in Table 6.3. Some, such as John Wallis (1759-1842), attorney and town clerk of Bodmin, and sometime partner of the pioneering George Browne, remained as part-time bankers.

Table 6.3

Business interests and backgrounds in Cornish banking partnerships

Partnership	Section ref	Principal interests, backgrounds
Miners' Bank	6.2	Landowners, investors, merchants
Cornish Bank	6.3	Landowners, investors, merchants
Carne & Co. (Falmouth)	6.5	Merchants
Joseph Banfield & Co.	6.5	Merchants, shipping agents
Christopher Wallis & Co.	6.1	Solicitors
Helston Union Bank	8.6	Solicitors
Gundrys & Co.	8.6.1	Mine owners
St. Austell Bank	6.4.4	Solicitors
Penzance Bank	6.4.1	Merchants, smelters, shipowners
Mevagissey Bank	6.6.2	Merchants
Mount's Bay Commercial Bank	6.4.3	Merchants, smelters, fishing, tanners
East Cornwall Bank	6.4.5	Solicitors, tax agent, tanners
Fox family	6.5	Merchants, industrialists, shipping
Truro Commercial Bank	6.6.1	Merchants
Penzance Union Bank	6.4.2	Merchants, smelters
North Cornwall Bank	6.6.1	Landowner, merchant, investor
Jonathan Binns & Son	6.6.2	Merchants, fishing
Edward Angove	5.4.3	Brewer

Source: selected from Table 6.1, and sections listed

Wallis operated the Bodmin Bank from 1790 to 1827,[1] but continued in his legal and administrative interests, serving as mayor of Bodmin in 1808 and 1816.[2]

[1] Begun 1790 according to Hicks (1950-1951, 183), or 1800 according to Boase (1890, col. 1328).

[2] http://www.bodmin.gov.uk/pdf/PDF_OtherDocuments/List_of_Bodmin_Mayors.pdf

Secretary and treasurer of the Cornwall Agricultural Society,[1] he also managed the Glynn estates until around 1809 for Edmund John Glynn, one of the founders of the North Cornwall Bank in 1811 (section 6.6.1; Lewis 2002, 53-54).

How individual traders could enter banking, each serving their own local community of interest, can be illustrated by reference to the somewhat atypical but illuminating case of Zephaniah Job (Johns 2008). Obliged to leave his home in St. Agnes around 1770, Job (1750-1822) settled in the secluded fishing community of Polperro, where he was accepted initially as a schoolmaster. More remuneratively, he began acting as an accountant to the local boat owners. As an adventurer, he began to acquire an interest in their syndicated business ventures, which extended beyond the uncertainties of fishing into smuggling, and turned to privateering in wartime. The dangerous, illegal but highly remunerative activity of smuggling, socially and morally acceptable as `free trade' in the close communities engaged in it (section 5.1.3), had a legitimate commercial face to its operations. Goods were bought by the smugglers on credit from merchants in tax-exempt Guernsey, the bills for which were payable following their anticipated delivery in Cornwall, regardless of failure or interception. Job accepted this risk in becoming an agent for the collection and remittance of payments, usually through a London correspondent (Johns 2008, 14-29, 84-91).

This wide-ranging commercial experience led him by invitation to become the steward of Sir Harry Trelawney's estate, the management of whose precarious finances provided Job's entry into banking when he began making loans to his employer (Johns 2008, 37-42). Most of the qualifications and operational conditions for doing so were already in place: trust and respect in the community, based on his proven abilities and experience; a willingness to take exceptional risks; the keeping of regular long-term trade accounts through which money could be advanced; and London connections.

[1] An insurance policy of 1793 describes him as a brewer: London Metropolitan Archives (Sun Fire Office), MS 11936 / 392 / 611878 (15 February 1793). A Bodmin Bank £1 note is illustrated in Kirch 2012, 15.

By 1806, Job was receiving deposits and advancing money at interest. He was also issuing notes payable by Christopher Smith, Son & Co., merchants in London (£5 note: Outing 2010, 470). All liabilities were covered by his assets after his death in 1822 (Johns 2008, 77-83, 119).

A further illustrative example is provided by Andrew Vivian (1759-1842), of Vellansaundry, near Camborne. An engineering associate of Richard Trevithick, he made the most of trading opportunities offered by the mining industry, in whose intricate business networks and kaleidoscopic realignments of association he was intimately involved. He was at various times a `banker, maltster, tallow chandler, [and] general merchant', demonstrating `the vitality and unpredictability of Cornish enterprise' (MacKenzie 2007, 65).[1] The diversity of occupational origins for bankers identified by Pressnell (1956, 12) could thus be found in single individuals in Cornwall. He had moved into mine management by 1795, at Stray Park (Morrison 1983, 62). After his instrumental part in the redevelopment of the dormant Dolcoath mine in 1799, with a period as its chief manager until 1806 (Morrison 1983, 14), and then of Wheal Abraham by 1811,[2] he went on to conduct a bank in Camborne from 1812 to 1818 (Outing 2010, 78).[3] Used to changing partners, switching allegiances and settling obligations throughout his career, he may well have similarly negotiated his exit strategy from banking.

The Mevagissey Bank and the North Cornwall Bank are treated as case studies in failure in section 6.6. For more prudently-conducted businesses in the early years, outright failure could be averted by a negotiated settlement. In difficulties following an unsuccessful local merger in Launceston, the Tamar Bank (Kelly, Eastcott & Lang) suspended payment of their notes in December 1810, although their means were `ample', resuming from 23 March 1811.

[1] In 1791, he was in partnership with Joseph Vivian and John Petherick of Camborne, named as `maltsters and tallow chandlers' in an insurance policy: London Metropolitan Archives (Sun Fire Office), MS11936 / 376 / 584566 (10 June 1791).
[2] *Grace's Guide to British Industrial History;* entry for Andrew Vivian*:* http://www.gracesguide.co.uk/Andrew_Vivian, accessed 19 March 2014.
[3] Boase puts 1815 as the start date (Boase 1890, col. 1329).

Further steps were being taken for a `speedy discharge of our Notes of Five and Ten Pounds';[1] and duly advertised.[2]

There appears to have been a community of bankers in Launceston, joining and separating in a succession of partnerships as shown in Table 6.4. The synergy within this community was low. Kelly, Lang, Cooke, Cudlipp, Browne and Hill in 1810 were possibly the unsuccessful merger just mentioned above; and apparent interlocking partnerships were short-lived. George Francis Collins Browne (grandson of the pioneering George Browne), and John Hill joined in the North Cornwall Bank when it was started that year, effectively providing its Launceston branch (Lewis 2002, 54). The Launceston Bank of Brown, Harvey & Co. became Emanuel Harvey, Son & Co. in 1813; and Harvey & Son from 1818, failing in 1825 [3] alongside Elford's Plymouth Bank (Boase 1890, col. 1334; Hicks 1949, 288; Hicks 1950-1951, 184).

Table 6.4

Early banking partnerships in Launceston

Kelly, Eastcott & Lang (Tamar Bank, Launceston & Tamar Bank) 1806-1810 Branch at Liskeard opened 1807 (*West Briton,* 1 August 1807)	Hill & Co. 1808-1810	Cudlipp & Co. 1809-1810
	Cudlipp, Browne, Harvey & Hill 1810-1811; £1, £2 and £5 notes issued	
Kelly, Lang, Cooke, Cudlipp, Browne & Hill (1810-1811)		
George Francis Collins Browne and John Hill to North Cornwall Bank (Lewis 2002, 54)		Browne, Harvey & Co. (1811-1813) | Emanuel Harvey, Son & Co. (1813-1825); £1 and £5 notes

Sources: Outing 2010, 178, 192; Kirch 2012, 20-22; and as shown

[1] Advertisements in the *Exeter Flying Post,* 13 December 1810, 14 March 1811; *Royal Cornwall Gazette,* 29 December 1810.
[2] *West Briton,* 15 February 1811 (£1), 19 April 1811 (£10 and £20), 7 June 1811 (£5), 6 September 1811 (interest-bearing notes to be paid on 1 January and 1 April 1812, and other demands on 1 July 1812).
[3] *West Briton,* 21 October 1825.

Other banks elsewhere saw frequent, though more orderly, changes of partners. The Pydar (or Pyder) Bank in St. Columb was managed as follows (based on Outing 2010, 275):

Fillis & Co. (1810-1812);
Richard Fillis, Joseph Norway, Martin Thomas, Reuben Magor and William Norway (1812-1813);
Joseph and William Norway, with Reuben Magor, possibly to 1815;
Nevil Norway & Co. between 1815 and 1817 (Boase 1890, col. 1344);
Joseph Norway & Co. from 1817 to 1821, the year it ceased trading (Boase 1890, col. 1344; Hicks 1950-1951, 184).

It then became a branch of Turner, Magor & Co, the Truro Commercial Bank; which had been founded by Edmund Turner and James Eddy in 1807.[1] Reuben Magor joined in 1816, after his involvement in St. Columb appeared to have ended for the time being (Outing 2010, 321). Subsequent developments are described in section 7.4.

The first West Cornwall Bank in Redruth had been started by Pryce & Co. in 1809 (Boase 1890, col. 1342), with Sir John Thomas Wheate and Charles Carpenter as partners. It ceased for the first time on 1 February 1811, with all claims referred to Samuel Vincent Pryce.[2] For a time after 1812, it became Carpenter, Pryce & Co., with £1 and £5 notes in issue (Outing 2010, 261). Latterly the partners were Pryce (died 1817), George Aunger Pryce, and Thomas Teague (died 1839). Payment stopped in 1819, the partnership was dissolved by mutual consent, and the bank closed on 24 July 1820 (Boase 1890, col. 1342; Hicks 1950-1951, 184). This institution illustrates the instability of many of the early banks; and also, in Samuel Pryce, the resilience of some of their partners.

[1] *Royal Cornwall Gazette,* 11 July 1807; Redruth branch opened: *Royal Cornwall Gazette,* 31 December 1808.
[2] *Royal Cornwall Gazette,* 27 April 1811.

A further identifiable category is that of banks established alongside large-scale mining ventures, represented by the Crinnis Bank (Boase 1890, 1343) and the Great Hewas Bank, both near St Austell (Burt *et al* 1987, 142-145, 240). Evidence for the latter is a £1 note of 1818, listing the partners as William Reynolds, William Dixon, John Hocky, Andrew John Nash, Walter Skinner and John Stanley (Kirch 2012, 18). The connection of the partners with the mine is not known; nor whether their bank was set up to meet the particular financial requirements arising from mining operations, such as the payment of wages. A more conspicuous example is Gundrys' Bank, set up alongside Great Wheal Vor (section 8.6.1).

By 1820, the pioneering age of the individual banker was practically over in Cornwall. In later years, individuals offering financial services fell into disrepute, although they carefully cultivated a respectable image through advertising, and were offering a necessary service beyond institutionalized banking. In 1845, James Trembath Kevern began a `one-man moneylending business' in Penzance; he was described as a `banker' in the trade directories of the time. Advertising his services for over thirty years, he was calling himself a `money scrivener and valuer' in the 1860s, and later a `loan and deposit banker'. There was by this time a definite social stigma attached to moneylending, although the services offered (including the discounting of bills over £10, and mortgages) were indispensable to some. In the 1870s he became involved with the Boscaswell Downs mine in Pendeen (Brooke, Justin, 1988, 147, 148). In 1866, N.T. Trengrouse, a Helston auctioneer, was advertising `Money to lend. Various sums, on good security':[1] this is far removed from the prestige which the landed gentry, old and new, brought as individuals to their own fledgling banks; assisting their establishment and long-term continuance which was afterwards consolidated by professional management teams. The original London connections were maintained and perpetuated with West End and City banks, set up in some instances by the same individuals; and Cornish wealth and reputations were thus also brought to the metropolis.

[1] *West Briton,* 2 March 1866, 4

Both of the two oldest-established Cornish banks now to be discussed, the Miners' Bank and the Cornish Bank, were begun in this way.

6.2 Mining investment and the beginning of the Miners' Bank

The Miners' Bank, originally styled the `Copper Miners' Bank', appears as an institution created to meet the particular requirements of mining investors. To understand their financial situations and transactional needs, it is necessary first to consider something of the organization of the mining industry in Cornwall. The Cornish Bank was also proactive in mining investment (section 6.3.1.1).

6.2.1 Financial structure of the mining industry

In the layered landscape, the mineral lord owned the rights to the ore deposits underground in a particular area or sett, which were leased at the transactional level to a group of adventurers (the investors) who would finance the mining operation and sell the output. For the mineral lords, the dues received from their leases were therefore profit without risk; but they were careful to set terms which would regulate output and ensure continuity of production (Rowe 1993, 50-51). They were also in a position, if they chose, to ameliorate adversity for the mine by reducing or waiving their dues for a time; Lewis regards the relationship between mineral lord and adventurer as being `mostly a flexible partnership' (Lewis 2006, 169-170).

The mining enterprise itself was typically organized under the cost book system; essentially a set of customary rules evolved over the centuries and understood and applied in pragmatic and adaptable terms (Burt and Kudo 1983, 31). The initial capital raised from the adventurers who took up shares would be invested in plant and financing operating expenditure. At the end of each quarterly or four-monthly accounting period, surpluses were distributed as profits; or losses (together with new capital expenditure) met by calls on the adventurers. The

business was thus effectively restarted afresh in each successive period (Burt and Kudo 1983, 31-32; Rowe 1993, 24). With capital supplied in small amounts, and investment treated as a working expense, the business tended to be perpetually undercapitalized; with obsolescent technology acquired on the cheap (Burke and Richardson 1981, 5; 1983, 196-197).

The heavy investment during the last two decades of the eighteenth century in new Boulton & Watt engines was partly financed by loans against future output (Brunt 2006, 93-95). Apart from exceptional circumstances, however, mine pursers were not authorized to borrow money. The business was intended to be run on a `ready money' basis, and it was the adventurers who carried an unlimited liability for all debts (Burt and Kudo 1983, 35). Merchant suppliers however willingly extended credit to maintain operations, based on the creditworthiness of the adventurers, and formed a significant part of mine finance (Lewis 2006, 170-171). High profits could soon turn into heavy losses if difficulties were encountered underground or market conditions worsened. This was a recognized hazard in mining investment; and many adventurers held a portfolio of mining shares to dilute their liability (Rowe 1993, 23-25). A paying lode might unexpectedly run out, and more development work would be needed; or falling prices might impair viability. Thus the individual adventurer's cash flow might begin with heavy outgoings, followed by sometimes spectacular profitability; only to revert in following periods to more losses.

Dividends could be handsome; but the calls were without limit: the penalty for non-payment was forfeiture of the shares (Rowe 1993, 24). If losses were heavy and persistent, adventurers who saw no hope in continuing might vote for abandonment. If there was any reason for hope, the adventurers might persevere until eventually a period was reached when paying output was being produced by the mine; but it was not for the faint-hearted. A mine abandoned by one group of adventurers could be profitably restarted by others (Hamilton Jenkin 1962, 188-189). It took the faith, expertise, courage and persuasiveness of a strong mine captain to hold the enterprise together. As an example from the latter days of Cornish mining, when the adventurers had grown disinterested

and had other paying opportunities open to them, Wheal Grenville was kept going by the dogged determination of its captain (Morrison 1983, 197-200). Although Stannary law enabled shares to be relinquished at any time, few changed hands (Lewis 2006, 170). Being a successful adventurer demanded an ongoing commitment through good times and bad times, fortune and misfortune, in the hope of eventually reaching a prosperous state of steady profitability.[1] Liability was unlimited; but so too were the potential returns.

Mine captains like Joseph Morcom in the 1780s would be pressing for more and sustained investment in expensive steam power and other plant above and below ground; to enable production to continue in a competitive market when costs were rising sharply as the workings became deeper. Mine closures threatened the livelihoods of whole districts, and could lead to social unrest and violence (Morrison 1980, 9; Stacey 2011, 8-9); on the other hand, returns to the heavy long-term investment in deeper mines were by no means guaranteed – geology was in its infancy, and the lodes could not be definitively proven except through the expense of driving new exploratory levels (Rowe 1993, 50). Successful mining adventurers like Thomas Daniell had to assess the social as well as the economic possibilities of action and inaction, when confronted by technical challenges and unexpected costs underground (Stacey 2011, 7).

A defining characteristic of the Cornish mining industry was that the great majority of the capital in this period around 1800 was provided from within the county, and kept that way by powerful interlocking interests as long as prosperity endured (section 3.2; and Burt 1998). This was in contrast to the industrialization of South Wales in this period, which depended on investment from elsewhere (John 1950, 23). The cost book system evolved further through the nineteenth century, as ever-deeper mining required more investment, and productivity had to be improved by mechanization (Burt and Kudo 1983, 37-38). Ultimately, the system was replaced by joint-stock limited liability; and will be discussed further in this context in section 9.5.

[1] As Vivian testified: PP 1799 *Copper Report,* Minutes of Evidence, page 20.

6.2.2 The early Miners' Bank, 1771-1828

The earliest private banking partnership to be formally established in Cornwall in 1771 was that which traded at first as the `Copper Miners' Bank'. It soon became known more simply and more generally as the Miners' Bank, enduring for over a century before amalgamation into the Consolidated Bank of Cornwall in 1890 (section 9.5). It will be shown here that its original structure and organization were particularly adapted to the financial requirements of mining adventurers. Although the early Miners' Bank was characterized by instability in its partnerships (Matthews and Tuke 1926, 265-266), continuity was provided by the abiding involvement of the Willyams family over many decades.

James Willyams was one of the original partners, and his younger son and successor Humphry lived to celebrate the centenary of the bank in January 1871.[1] It is convenient to regard the death of James in 1828 as closing the first, experimental phase of what was at its inception an innovative kind of financial institution in both Cornwall and London. The partnership succession from 1771 to 1828, as related in the following pages, is summarized as follows:

January-September 1771: first establishment as the `Copper Miners' Bank'.
September 1771-1793: William Lemon, John Buller (until 1778), Philip Richards, James Willyams, John Furly.
1793-1808: Francis Rodd, James Willyams, Dr. John Gould.
1808-1809: Willyams, Williams & Co.
1810-1823: Daniell, Willyams, Vivian & Co.
1823-1827: Willyams, Vivian, Willyams & Co.; thereafter Willyams, Hodge & Co.

The Copper Miners' Bank was founded on 20 January 1771 in Princes Street, Truro, reputedly reconstructing an earlier Truro firm issuing notes and `port bills' for £10 and £15 from 1759 onwards (Matthews and Tuke 1926, 264).

[1] *Royal Cornwall Gazette,* 28 January 1871

According to Boase, the original partners were said to be Francis Basset of Tehidy, John Rogers, Sir Humphry Mackworth Praed, William Lemon, James Willyams, John Lubbock, and a `Mr Furley'; and `probably known as Basset, Rogers & Co.' (Boase 1890, col. 1347). Basset, Rogers and Praed soon seceded, joining with others to form the Cornish Bank later that year; and Lubbock left to concentrate on his London interests. This account has been duly quoted as authoritative by subsequent writers such as Pressnell, to the extent that he felt obliged to cite it as `one of only two examples so far traced of firms with more than the legal maximum of six partners' (Pressnell 1956, 106).

However, the direct involvement of a Francis Basset of Tehidy is highly doubtful at this date. Francis Basset senior had died in 1769; it is possible, however, that he may have been involved in the 1759 enterprise, of which Outing (2010, 320) regards the new bank as a continuation. The younger Basset, at the age of 14 in 1771, was just starting as a schoolboy at Eton; and did not become a partner in the Cornish Bank until 1779 (Thorne 2006). Furthermore, there is no documentary trace of John Rogers as a banker in 1771 (Presnell 1956, 107). He did not become a partner in the Cornish Bank until 1802, and the Cornish Naval Bank (Praed, Rogers & Co.) until 1806 (section 6.3; and Boase 1890, col. 1346). Becoming Basset's brother-in-law in 1776 (Brooke, John, 1964b), he was a politician rather than a banker, and did not persevere in a financial career in the 1770s. Quite apart from the youthful ineligibility of Basset, there was thus unlikely to have been a `Basset, Rogers & Co.' operating as the first Miners' Bank partnership.

Quite the opposite in this was Humphry Mackworth Praed; who, though an MP, is regarded by Namier (1964a) as being `a banker and mining adventurer rather than a politician'. His brief involvement in the Copper Miners' Bank (seceding on 24 June 1771, according to Boase 1890, col. 1347) may have been terminated by political differences. Subsequently Praed defeated William Lemon, his erstwhile partner, in the by-election for Cornwall in December 1772; and the contention was even sharper in the county election of 1774 (Elvins 1999, 52). The careers of Basset, Rogers and Praed belong more properly to the narrative

of the Cornish Bank, and are considered more fully there (section 6.3). Of the other names mentioned by Boase, Lubbock, a London merchant, was perforce concentrating on his metropolitan interests while retaining his association with the bank in Truro (section 6.2.4).

The remaining partners soon found other associates. On 21 September 1771, `Articles of Agreement Quinquepartite' were drawn up, between William Lemon of Carclew, John Buller of Morval, Philip Richards of Penryn, James Willyams of Truro, and John Furly of London.[1] The Agreement was for a term of seven years, between `Copartners in the Trade or Business of Goldsmiths or Bankers or keeping of Money and Accounts thereof for other persons at London and in Truro.' Goldsmiths as bankers were defunct as such in London long before 1771 (Joslin 1954, 171-172). The Agreement may be merely allowing for the possibility, or simply following some lingering legal convention. Premises were to be leased in Abchurch Lane, London (off Lombard Street), and in Truro. James Willyams was to be the manager in Truro, and John Furly in London. Willyams and Furly were each required to give sureties of £5,000, and render due account to the other partners of all cash and securities traded. No cashier, clerk or book keeper was to be employed without a surety of £1,000, and was also to render account of the funds entrusted to them as individuals in the tills. Dismissal of servants or apprentices in Truro or London needed the approval of two or more partners, except for flagrant misconduct. Employees were thus treated with some respect, reflecting the positions of trust in which they were placed. The capital was £2,500 (£500 from each partner in `lawful money of Great Britain'; that is to say, legal tender; not notes from other banks, bills of exchange, or other negotiable but potentially doubtful instruments), to be deposited within fifteen days of the date of the Agreement for the exclusive use of the business. There was thus a real commitment required of the partners. No share could be withdrawn without the written consent of all; and this authority was also required for the advance of all loans or mortgages over £10,000.

[1] CRO (Buller), BU/431: Agreement Quinquepartite (21 September 1771). The text is continuous, without clauses or pagination.

The London and Truro accounts and monies were to be kept entirely separate. Note issues were only to be made from the London and Truro offices (rather than by individual partners), and signed only by Furly or Willyams. A strong operational control was in place, yet with wide discretionary powers allowed. At each annual casting of accounts on 1 February, James Willyams was to receive a prior consideration of £100 for management services, before any division of profits; and John Furly £150 likewise for managing in London. The profits were to be divided equally between the partners and withdrawn by them from the business.

They could be freely assigned to other beneficiaries without the prior agreement of the other partners. Any partner leaving the business during the first seven years of trading was required to serve irrevocable notice on all the other partners or their heirs and successors. If a partner died during the initial seven-year term, his share and future profits were only inheritable if expressly noted in his will, and only for the remainder of the term. If the inheritor was not wife, child or brother, approval was required by a majority or a moiety of the surviving partners; the intent was to keep the business within the family successions.

The comprehensive provisions made for the eventuality of an early dissolution of the partnership reflected its likelihood in practice. The short-term commercial partnerships of this period were frequently made, renewed and dissolved as the fortunes of the participants were made and lost, or opportunities presented themselves elsewhere. The specification of a fixed term of years, with subsequent renewals as appropriate, is typical of its type, at least in Cornwall.[1] A mutual dissolution could only be enacted by a deed under the hands and seals of all the surviving partners – a recurrent event in the early history of the Miners' Bank. There was also a keen awareness of being caught up in the misfortunes of others.

[1] Other examples are the 1779 agreement renewing the partnership in the Cornish Copper Company - CRO (Hambly Rowe), X473/102 (25 October 1779; and the renewed 1795 copartnership agreement continuing the tin smelting business of Sawle, Fox & Co. for a further fourteen years: CRO (Rodd), RD/1149 (5 May 1795).

No partner was to become `bail or bound, or become security' for anyone without the unanimous written consent of all the other partners. The penalty was the forfeiture of all shares and future rights in the bank. If any partner became bankrupt through involvement in the failure of an outside business, his share in the bank could only be assigned to the settlement with the unanimous consent of the other partners; with the value of the assignment based on the last annual casting of accounts, and no entitlement to any share in the profits made since. If the copartnership itself was to be terminated, the final accounts on dissolution were to be approved by all the partners, and to be taken as the final and conclusive settlement, irrevocable once paid. All disputes between the partners regarding the constitution of the Agreement were to be resolved by `five indifferent persons' (`referees') elected and chosen by the partners, with further appeal to final and binding arbitration by an `umpire' chosen by these referees.

Buller did not actually sign this document with the rest (the space for his signature is blank); as the Articles were nevertheless adopted,[1] this would suggest that they were very much a formal ratification of a gentlemen's agreement, the spirit of which was generally upheld. The nature of the actual relationships between the partners, and the depth of the Agreement, can now be explored through a consideration of the heritage, attributes and resources that each could have brought to the business.

The familial connections between Lemon and Buller, and between Lemon and Willyams, were at the heart of this formally-constituted copartnership. The Lemon family's rise to prominence is illustrative of the upward social mobility of charismatic individuals and their families in Cornwall. The descent of **Sir William Lemon**, who became a baronet in May 1774 (Elvins 1999, 50), is summarized in Table 6.5, abstracted from a much larger family tree.[2]

[1] Evidenced by a later reference to the arbitration procedure in CRO (Tremayne) T/2422: J. Willyams to Rev. H.H. Tremayne (13 May 1806).

[2] The wider Lemon family becomes more fully visible in the complex deed of settlement of the long-running dispute between trustees and guardians concerning the `great Mr Lemon's' will: CRO (Whitford), WH/1/1769 (16 May 1795).

His grandfather was the `great Mr. Lemon'; who had risen from a humble but `good living' background to make a fortune from mining. This can be seen as the outcome of having capital and good luck, together with an aptitude for management able to seize opportunities at the right time (Elvins 1999, 49-50; Trenick 1992, 123; MacKenzie 2007, 49). His marriage in 1721 may have provided some of the finance for Wheal Fortune; which is said to have yielded him dividends amounting to £10,000. After moving to Truro, he became involved in mining in Gwennap; and thereafter became one of the leading tin smelters and merchants in Cornwall.

Table 6.5

Descent of the Lemon family

William Lemon of Germoe
|
William Lemon (1696-1760), `the great Mr. Lemon'
|
William Lemon (*c.* 1722-*c.*1759); married Anne Willyams, 1747
|
Sir William Lemon (1748-1824), baronet 1774; married Jane Buller, 1771
Ann Lemon (sister); married John Buller, 1770
John Lemon (brother, 1754-1814); unmarried

Source: Elvins 1999, 49-51.

Respected for his integrity and wealth, his subsequent fortune was mostly made after 1748, when he held the lease on all the Duchy of Cornwall's copper mines, and `enormously developed the mining industry of the county' (Drummond 1964; Elvins 1999, 50). As was traditionally the way of success won from accepting the risks of commerce, the profits were invested in the secure certainties of land and property. Lemon did this in a big way across Cornwall, and became accepted into the landed interest – economically, politically, and socially.

With this expanding property qualification, his son, William, married Anne Willyams in 1747; but predeceased his father. The inheritance thus passed to his grandson, William Lemon (1748-1824), future partner in the Copper Miners' Bank, and brought up in a *nouveau-riche* family pre-eminently well-connected and politically respected in Cornwall. He further developed this large and

diverse estate; and continued to profit from mining, both as mineral lord and as an adventurer (Elvins 1999, 49-53).

Sir William Lemon represented his county in Parliament continuously for fifty years from October 1774, when he was elected in place of Praed alongside Molesworth; the candidates in this `fierce four-cornered contest' were Lemon, Buller, Molesworth and Praed, all of them bankers (Elvins 1999, 52); the alignment was Lemon and his brother-in-law Buller (Miners' Bank) *versus* Molesworth and Praed (Cornish Bank). Earlier, in 1770, Lemon had been elected unopposed as MP for Penryn, in succession to the late Francis Basset senior. The power of the family interest that had been built up over the years transcended party politics; Lemon was returned unopposed for Cornwall in the seven general elections after 1790. After 1832, the `Lemon connection' continued to be influential (Elvins 1999, 48-52). He subsequently served in many roles, including that of colonel of the Royal Cornwall Militia in 1806.[1] Polwhele characterizes him as `the old country gentleman, faithful to his King without servility, attached to the people without democracy' (quoted in Drummond 1964).

William Lemon had married Jane Buller in 1771; a connection further strengthened in 1803 when Antony Buller married Lemon's daughter Isabella.[2] **John Buller** (1745-1793), Jane's brother, was from an established landed family in the Looe area. He was a career politician; representing Exeter from 1768 to 1774, Launceston from 1774 to 1780, and West Looe from 1780 to 1782 (and again in 1784). He tactically supported his brother-in-law William Lemon against the Molesworth-Praed interest in the contest for the Cornwall seat in 1774 (Brooke, John, 1964a; Elvins 1999, 52). He resigned from the partnership on 17 April 1778, as recorded in a document enclosed with the Agreement Quinquepartite:

[1] As colonel, he issued a certificate of service to Thomas Nicholls: CRO (parochial papers, Kea), P97/15/1 (1806).
[2] CRO (Lemon), X62/14: marriage settlement, Antony Buller and Isabella Lemon (1803).

Whereas John Buller has this day agreed to dissolve his partnership with us in the banking business, now we do hereby covenant, promise and agree … to admit one of his sons as a partner with us … entitled to receive one tenth part or share of the profits … when and as soon as he shall be duly qualified in the opinion of William Lemon (or of his son in case of his decease) to become a partner in the bank … we further promise to sign such agreement for this purpose as Mr. Francis Buller shall advise.[1]

However, John Buller's sons were still very young at this date - he had only married their mother in 1770 (Brooke, John, 1964a) - by the time they came of age, the banking business had moved on.

James Willyams (1741-1828), heir to Carnanton, near St. Columb, and resident in Truro, was the nephew of the Anne Willyams who became Sir William Lemon's mother.[2] In later life, he became the second major in the Royal Cornwall Militia before resigning his commission in 1798.[3] Willyams' residence in Truro facilitated his active part in the establishment and management of the bank, qualifying him for election as Mayor in 1789 (Jennings 1907, 140), and again in 1790-1791.[4] His first son, James Brydges Willyams, was born in 1771 but died in 1820; and it was Humphry Willyams (1792-1872), his third son, who took over as managing partner of the Miners' Bank on his father's death in 1828 (section 6.2.7).

Philip Richards of Penryn (d. 1798) [5] was a merchant with large-scale mining investments; in 1772 he became involved in the Cornish Tin Company (section 5.3), and was an adventurer in Tincroft, Dolcoath and other Camborne mines (Rowe 1993, 59-60; and Table 6.6 below). John Furly and John Lubbock (one of the original partners in the Copper Miners' Bank who did not join in the Agreement Quinquepartite), were both London merchants.

[1] CRO (Buller), BU/431: untitled document (17 April 1778).
[2] Family descent at http://www.celtic-casimir.com/webtree/16/30305.htm (accessed 22 March 2013): James did not inherit Carnanton until 1810.
[3] *London Gazette,* 5 May 1798.
[4] List of Truro mayors: http://www.truro.gov.uk/TheCouncil/Past-Mayors.aspx (accessed 1 February 2014).
[5] Probate of will: The National Archive, PROB 11/1311/92 (9 August 1798).

John Furly (for so he signs himself in the Agreement; it is spelt variously as `Furly' and `Furley' in the archive documents) is a somewhat shadowy figure who has left few direct historical traces. He was probably related to the John Furly mentioned in connection with the Moravian Church and the Fetter Lane Society in 1732, a London merchant whose brother Benjohan was a merchant in Rotterdam (Podmore 1990, 164). This is suggested by the following associations. Furly-Forster is a name descended from Benjohan Furly; and listed in connection with the Royal Exchange around 1840 (McConnell 2008). Lubbock's nephew and successor was connected with the Royal Exchange, and Forster was a later partner in the London bank started by Lemon and Lubbock in 1772.[1] The name of John Furly also appears in the list of subscribers to a loyal address to the King by the Protestant merchants of London in 1744.[2] If this were he as a young man, it might make him around fifty years old in 1771. More conclusively, there is some correspondence from John Furly and Co., Throgmorton Street, London in 1782 to William Forbes, coppersmith, London; concerning a Cornish tin transaction.[3] If Furly's firm was a regular shipper of tin by sea from Cornwall, a channel for remittances between London and Truro would have been a useful facility.

John Lubbock (1744-1816) grew up at Lammas in rural Norfolk. He was sent to the capital to learn commercial practice with Frederick Commerell, becoming a partner in the business on his marriage to Commerell's daughter in October 1771.[4] This may have been the reason he gave up his direct interest in Cornish banking, while retaining his association with Lemon and Willyams in the London bank they started in 1772 (section 6.2.4). From 1796 to 1802 Lubbock was in Parliament, representing the Cornish borough of Bossiney in the Mount Edgecombe interest; thereafter becoming MP for Leominster.

[1] Section 6.2.4. The novelist E.M. Forster was a descendant of the intermarriages within this grouping.
[2] *Gentleman's Magazine*, XIV (1744).
[3] Falkirk Archives (Forbes), A727.134.8: John Furly & Co. to Forbes (ship leaving Penzance, 12 October 1782); A727.134.18 (arrival in London, 22 October 1782); A727.134.30 (delay in discharging cargo, 31 October 1782).
[4] They were one of Zephaniah Job's London agents (Johns 2008, 79, 125).

He was created First Baronet Lammas in 1806; and characterized by his nephew and heir as `an excellent man of business and a genial kind friend' (Williams, M.J., 1986).

According to Thornton (1939 [1802], 172), `a few' London bankers were proactive in assisting the formation of country banks, as it extended their business opportunities as correspondents while reducing the transactional risks. Pressnell terms this `midwifery from the capital' (Pressnell 1956, 117-118). It is possible, therefore, that Lubbock and Furly fulfilled such a function in Cornwall for the nascent Copper Miners' Bank; and were instrumental in bringing the Cornish partners into the world of metropolitan finance.

6.2.3 Partners as mining adventurers

The enterprise which the partners sketched above came together to form was styled the `Copper Miners' Bank'. Its constituted structure could have provided investment opportunities in the London financial market for Cornish copper mining profits, and a source of funds in times of loss. The Cornish partners themselves were prominent as mining adventurers (see Table 6.6 below); and with their names heading the enterprise, business could have been hoped for from within the mining industry at large; but the bank was a facility which would benefit the partners themselves (see also section 6.3.1.1).

Following the description of the cost book system given above (section 6.2.1), a likely operational requirement for a bank intending to deal with adventurers' accounts would have been a ready availability of cash in hand or money at call in London; as large withdrawals, possibly on overdraft, might have been required at fairly short notice in the event of unexpected calls being made. Conversely, in periods of prosperity, there could be surplus funds to invest – without impairing the liquidity of the bank. This kind of situation can be illustrated by an analysis of the data contained in the 1799 Parliamentary *Report on the State of the Copper Mines and Copper Trade*, which provide

eloquent illustrations of the succession of profit and loss within the typical mining enterprise.[1]

Applying the profits and losses for each mine to the lists of adventurers and their shares shows their exposure to the risks and rewards in each enterprise, and indicates the spread of their incomes and liabilities. These data had been supplied to the Parliamentary Committee by John Vivian, a prominent figure in the Cornish mining industry and later a partner in the Miners' Bank (section 6.2.6), with the assurance that he believed them to be `sufficiently accurate' for the purposes of the Inquiry.[2] While such an exercise using this particular information is only definitive for 1798, the latest data available to the compilers of the Report, the commitment of adventurers was necessarily long term as they persevered in hope of losses being recovered by subsequent profits, as discussed above (section 6.2.1). At the Inquiry, Vivian was asked if he could account `for so large a Capital being employed in Mines', and replied it was `only from the Hope of some favourable Circumstances; the Mine may be richer, the Price of Copper may rise, or if the War was to cease, the Price of Labour and Materials may be cheaper, and from the general Reluctance People have to abandon Concerns they have once engaged in.'[3] Adventurers in cost book concerns characteristically lived on their hopes, as was observed even in the 1890s (Burke and Richardson 1981, 5). In default of direct evidence, it is therefore reasonable if somewhat heroic to project the shareholdings back into the previous years; and obtain a sufficient overall *impression* of the changing fortunes of individual adventurers. In this way, the projection presented in Table 6.6 below postulates the performance of the holdings of the original partners in the Copper Miners' Bank, in comparison with the aggregated figures for the larger set of names identifiable as Cornish bankers in these or later years, and with those of the complete list of adventurers cited in the Report.

1 PP 1799 *Copper Report,* Appendices 18-31.
2 PP 1799 *Copper Report,* Minutes of Evidence (Vivian), page 347.
3 PP 1799 *Copper Report,* Minutes of Evidence (Vivian), page 20.

Some of the partners in the Copper Miners' Bank appear as astute investors in the most successful mines with the best long-term prospects. By 1798, Lemon and Richards were receiving a large and generally increasing share of the total profits of the mines in which they held shares. They had taken large stakes in the larger and most profitable mines with long-term prospects, while avoiding significant commitments to loss-making ventures. While having some small investments in some less profitable concerns, Lemon had a 25% share in Wheal Unity, and the executors of Richards (who had died in 1798) nineteen sixty-fourths (29.7%) of Tincroft; which, as the data presented in this *Report* show, were two of the outstandingly successful Cornish mines of the period. Richards had been an investor in Tincroft since before 1772 (Rowe 1993, 59), demonstrating the tenacity and perseverance of committed adventurers as explained by Vivian to the Inquiry. The partners were each reaping the rewards of earlier risk-taking; accumulating wealth from mines which had become established assets able to withstand the rigours of the market and the ever-increasing costs of production. They were doing rather better than the larger subset of adventurers identifiable as present or future partners in other banks, who tended to participate more in the riskier enterprises; on average their 1798 holdings would *ceteris paribus* have made a loss in the difficult year of 1793.

The wider context of all this was the discovery and exploitation of surface deposits of copper mineral at Parys Mountain in Anglesey (Ynys Mon) from 1768, providing steadily-increasing competition for the deep-mining Cornish industry; prices in some cases fell below operating costs, and caused some mine closures. Recovery came slowly with the increasing wartime demands in the 1790s, accompanied by rising costs; and with the eventual but rapid exhaustion of the Parys deposits by the end of that decade (Rowe 1993, 68-72, 90-92). The rising costs, as mentioned above (section 6.2.1) could be mitigated by heavy capital investment in new pumping engines and plant, making mining at greater depths economically viable.

Table 6.6

Miners' Bank partners as adventurers in Cornish copper mines

Showing the profit and loss for each adventurer in the seven mines in which they were interested in 1798, and what it would have been if they had held the same shares in previous years. SEE THE EXPLANATION BELOW.
Lemon: shares in Consolidated, United Mines, Unity;
Richards: shares in Consolidated, Crenver & Oatfield, Gons & Stray Park, Tincroft, Treasury, United Mines;
Willyams: shares in Tincroft, United Mines

Annual profits and losses (round pounds)

Year	1792	1793	1794	1795	1796	1797	**1798**
Aggregate, all 7 mines	£39,953	£3,074	£26,102	£13,026	£31,150	£32,487	£26,507
Sir William Lemon	£4,378	£2,046	£3,910	£3,859	£4,061	£4,125	£4,176
Philip Richards	£162	£139	£172	(-£47)	(-£17)	(-£50)	(-£175)
Executors of Philip Richards	£1,330	(-£655)	£1,098	£1,377	£3,197	£6,016	£4,059
James Willyams	£155	£103	£204	£127	£356	£679	£302
TOTALS	£6,025	£1,633	£5,384	£5,316	£7,597	£10,770	£8,362
% of aggregate	15.1%	53.1%	20.6%	40.8%	24.4%	33.2%	31.5%
Mean return	£1,506	£408	£1,346	£1,329	£1,899	£2,692	£2,090
Mean return for 25 adventurers identifiable as Cornish bankers in 17 mines:							
	£545	(-£24)	£363	£413	£584	£536	£490
Mean return for all adventurers in 1799 *Copper Report* data (183 names in 17 mines):							
	£236	£37	£130	£134	£216	£154	£124

Source: Extrapolated from data from PP 1799 *Copper Report*, Appendices 18-31

EXPLANATION OF TABLE 6.6: The holdings of each adventurer in the various mines are shown in the data in the *Report*; and their shares of the profits for each mine (also shown) can thus be calculated. For the year 1798 (extreme right-hand column), the seven mines in which the Miners' Bank partners held shares earned £26,507 in total: of which Lemon would have made £4,176 on his holding.

The shares still in Richards' name lost £175, but those held by his executors made £4,059; and Willyams made £302.

The total net amount realised by the partners was £8,362, or 31.5% of the total profits of the mines in which they had an interest.

The average return for each of the four investing names is £2090.

This is not particularly meaningful in itself, as one of them lost money. It can be better compared to the average achieved by the 25 names listed in the *Report* identifiable as bankers (£490); and with the average return attained by all adventurers (£124).

The columns for the earlier years are extrapolated by assuming the same holdings for each name, and dividing them into the aggregate figures for each year given in the *Report.*

The shares held by Richards' executors would have been held by himself before his death in 1798 (section 6.6.2).

The figures calculated for 1797 are not fully conclusive, as there is no return for the Consolidated Mines for that year (see Table 6.7).

There is a `Mr. Buller' mentioned in the *Report* data; but he cannot be positively identified as John Buller.

6.2.4 The Miners' Bank in Cornwall and London

To access greater financial opportunities, the Agreement Quinquepartite outlined above (section 6.2.2) defined a business to be conducted from offices in Truro and the City of London, thus bringing Cornish money to the established London financial market, and providing funds for investment in Cornwall. While the Miners' Bank may have been nurtured by Furly and Lubbock the London merchants in its extreme infancy, the organizational structure set forth in this Agreement suggests that it was conceived neither as a Cornish bank with a London branch, nor as a London bank with a Cornish branch; the two arms of the business were to operate on equal footings. None of the partners it seems, whether in London or Cornwall, had been directly involved in established London banks; although Buller had operated an account with Child & Co. in 1770-1771 and earlier, prior to his commitment to the terms of this Agreement (section 6.2.4). Both the Cornish and London operations were young men's enterprises: for in 1771 Lemon was 23 years old, Buller 26, Lubbock 27, and Willyams 30; moreover they were each just starting out in married family life (section 6.2.2). Richards in Cornwall and Furly in London seem to be more senior figures; in which case their business experience would provide the grounding for the commercial success of the bank. Youth was no bar to assuming responsibility at this period. William Pitt the younger (1759-1806) was

Chancellor of the Exchequer at 23 in 1782, and prime minister the following year (Watson 1960, 257, 266): Buller had already been an MP for three years.

To summarize, there were thus four Cornish partners and one in London. Two of the Cornish partners (Lemon and Richards) were successful and astute large-scale adventurers in Cornish copper mining, to which they were deeply committed as long-term investors; another (Willyams) was the manager in Truro, while Furly looked after the London office. The fifth partner (Buller) can be regarded as having an interest in both worlds; he was an active Member of Parliament on the one hand, and a major landowner on the other. He would be looking for a channel for moving funds from his income streams in Cornwall to London to meet expenses, and a line of credit in London rather than a similar facility in Cornwall (his surviving bank books demonstrate such a pattern, and are discussed in detail in section 6.2.4).

In further summary, it can be seen that the mode of organization outlined in the Agreement Quinquepartite (section 6.2.2) would allow mining profits to be invested in London, as well as enabling money to be raised there to meet sudden and heavy calls from the mines. The young Copper Miners' Bank was therefore dependent on the prosperity of the mining industry and the continuing good judgment of the partners in managing the irregular cash flow, with unlimited liability. Liquidity, with good credit, was the requirement in London for the accommodation of pressing financial needs in Cornwall. Such an arrangement looked good on paper; but it was soon superseded in practice. The bank had begun with a favourable coalition of interests and expertise in its original partners – homegrown, self-made capital (Lemon), managerial expertise (Willyams), London connections (Furly). The ambitions of youth (Lemon, Willyams and Buller) were tempered by older commercial experience (Richards, Furly); but circumstances and aspirations changed as the business matured. However sufficient the Agreement Quinquepartite may have appeared, within five months of its signing in September 1771 the London office became a separate business.

6.2.5 Lemon, Buller, Furly, Lubbock & Co

By 5 February 1772, William Lemon, John Buller, John Furly, John Lubbock and James Willyams had become established as bankers in Mansion House Street, London (Hilton Price 1891, 142), trading as Lemon, Buller, Furly, Lubbock & Co. (hereafter LBFL). There was, in other words, an early divergence from the dual London/Cornwall form of organization; maybe to facilitate the renewed participation of Lubbock at the London end, and possibly because the geographical separation quickly made it unworkable in practice. A further cause may have been the avoidance of objections to a developing `pig on pork' situation, in which a country bank was its own London agent, with no truly independent source of funds (Pressnell 1956, 108-109).

A closer examination of John Buller's own financial transactions between Cornwall and London is instructive. His parliamentary activities and consequent residence in London required money to be available at call in the capital. Two bank passbooks of his have survived, from the time when he was MP for Exeter; active in the House as well as being involved in borough and county politics in Cornwall, mostly in support of his brother-in-law William Lemon (Brooke, John, 1964a). A banking facility in London, linked to another in Cornwall, would therefore have been very useful to him. The first was with the old-established London West End bank of Robert Child Esq. & Co.[1] in 1770-1771; and the second with LBFL in 1772-1773.[2] The transactions recorded in these passbooks show both the magnitude of his financial dealings, and his ability to make large cash deposits to his account. These are not set out after the manner of a modern bank book or statement, with deposits and withdrawals following each other in chronological sequence with a running balance. Instead, they are grouped in unaligned credit and debit columns, with the appearance of having been written up at intervals whenever the book was presented.[3]

[1] For details of this bank see Hilton Price (1890), 30-37.
[2] CRO (Buller), BU/595: John Buller's accounts with Child & Co. (1770-1771), and Lemon, Buller, Furly, Lubbock & Co. (1772-1773).
[3] A similar layout is found in the ledgers of Hoare's Bank earlier in the century (Laurence 2006, 49).

Rearranging these in the familiar modern way reveals something of the nature of his personal cash flow during these years. The account with Child & Co. was brought forward with a balance of £100 0s 10d on 10 November 1770. The account was overdrawn over Christmas by £82 19s 2d, with funds being replaced in the first week of January. In February 1771, a payment of £400 which overdrew the account was balanced by a credit of the same amount on 1 March – this may have been a short-term loan to an associate, or the settlement of a pressing debt in London on their behalf. The account was overdrawn again in August 1771, this time being put back into credit by a receipt of £1,000 from a G. Buller – an amount owing, perhaps; or a loan from another family member. The entries end in September, with an effectual credit balance of £706 7s 8d.

The starting of LBFL early the following year brought new opportunities to its partners, quickly taken advantage of by Buller in a new account. An early overdrawn position was temporary; but he became overdrawn again by £536 13s 4d on 8 September 1772, quickly answered by a cash deposit of £8,000. This money, together with other sundry deposits, was used up by 15 March 1773. Thereafter heavy cash withdrawals by Buller in person were being made, alongside the frequent presentations of bills in batches for payment; and the book entries end on 14 May 1773 in a large overdraft of over £2,000.

This situation would seem to be covered by an engagement by William Lemon to LBFL, dated 20 June 1773, to be answerable for John Buller's debts to the bank in the event of Buller's death, whether the advances were made in London or in Cornwall and by whatever means. In a later agreement with Buller, made on 6 May 1776 and copied on the same piece of paper, they were no longer `answerable for each other'.[1] Quite apart from any familial kindness, Lemon's financial guarantee to the bank in which they were both partners can be interpreted as recognition of the effort and expense which Buller's political loyalty and practical support had entailed.

[1] Included in CRO (Willyams), W79: engagement of William Lemon to Lemon, Buller, Furly, Lubbock & Co. (20 June 1773), with amendment (6 May1776).

The pattern of transactions is one of more or less regular dealings with a select range of correspondents, some of whom appear to be family members in receipt of allowances. Some are bills drawn in Cornwall and eventually presented for payment in London by other parties; two examples are enclosed with the LBFL book. These illustrate the chains of transactions which could ensue as the bills were passed from hand to hand before reaching the London account. One of these, drawn by Buller at home in Morval on 30 January 1773 and payable to Philip Mayow, was settled by a cash payment to the London bankers Smith, Bevan & Co.[1] shortly after the due date in early March. No accrued interest or fees are recorded anywhere in either account book; they might have been dealt with separately and not entered against the account.[2] There was an equivocal attitude in private banking to both these issues; as late as 1890, George Rae was finding it necessary to argue that bank charges should be consistently applied, representing value for money for services rendered to the client (Rae 1890, 144 -153).

Some features of this ongoing transactional pattern are borne out by Melton's account of the customary annual social round of the landowning gentry, which had developed since Tudor and Stuart times (Melton 1986, 40-44). While in London during parliamentary sessions and for the `season', they would draw on their banking facilities in town, diverting some of their rental incomes and estate profits to finance their residential and living expenses. The West End bankers, including Child & Co., particularly catered for this clientele. While regular tradesmen's bills, incurred in the maintenance of their London establishments, would be spread throughout the year, their heaviest outgoings were in spring and summer when they were resident in town. Loans contracted in London would use their property as security. In Buller's case, he had ample security in his Cornish estates; but the pattern of his income and expenditure suggests more out-of-season metropolitan involvement.

[1] For details of this bank, see Ackrill and Hannah 2001, 18.

[2] A few years later, Hannah Harington was receiving interest payments by banker's draft on her accounts with the Miners' Bank and the Cornish Bank; see section 6.3.1.1.

It is quite likely that there were many exceptions to Melton's generalization, as circumstances would be very varied across the country. William Praed, with his canal interests, and the Eliots of St. Germans, would have very different requirements to those of mining investment in west Cornwall (section 6.3.1). Melton's point is that London bankers had a very seasonal cash flow, with customer balances high in spring and summer, and falling dramatically in autumn. Hence Lemon's guarantee to back Buller's obligations; there was a need, as Melton observes, for London bankers to establish `an equilibrium of assets to liabilities' (Melton 1986, 43). It is possible that Lemon and Buller, and also Eliot and Praed, became involved in London banking primarily because they had special requirements to be accommodated.

Following John Buller's withdrawal from the LBFL partnership in 1778, the firm became Lemon, Furly, Lubbock & Co. Sir William Lemon withdrew in 1785, when Furly's name also disappears (Hilton Price 1891, 142). The direct Cornish involvement was now ended in what had now become a metropolitan bank; a new copartnership agreement for Forster, Lubbock, Bosanquet & Co. was struck in that same year.[1] The subsequent and highly successful history of Lubbock's bank is outside the scope of this study; except to say that it retained the London agency of the Miners' Bank to the end (Boase 1890, col. 1347), a testimony to the enduring quality of the *gemeinschaftlich* relationships within the original closely-interlocking partnerships of 1772.

6.2.6 Rodd, Willyams & Gould

Succeeding partnerships in the Miners' Bank in the early nineteenth century lacked the synergy and seeming good fellowship of the early days, and required adjudication; a modest though profitable living for fewer partners replaced the ambitions of 1771. On 28 March 1794, the first recorded annual meeting of a new Miners' Bank partnership was held. As noted above, John Buller had retired from the Cornish operation in 1778.

[1] Hertfordshire Archives, DE/Bb/B2: copartnership agreement, Forster, Lubbock, Bosanquet & Co. (1785).

This was just prior to the end of the seven-year term of the Agreement Quinquepartite; and Sir William Lemon, having given up his London banking interest in 1785, had also left the Miners' Bank. In the new partnership, James Willyams was joined by Francis Rodd of Trebartha Hall, Bolventor (1732-1812) and Dr. John Gould of Truro (1740-1823).

Francis Rodd, from an eminent East Cornwall family, was colonel of the Royal Cornwall Militia between 1781 and 1798, when he was named as such on various officers' commissions;[1] this was also the time when Willyams served as major, as noted above (section 6.2.2). Colonel Rodd and his son Francis Hearle Rodd (1766-1836) also had considerable mining shareholdings listed in the 1799 *Copper Report*; the aggregated holdings under these names are shown in Table 6.7.

Table 6.7

Rodd family: projected returns from mining investments, 1792-1798

Compiled on the same basis as Table 6.6; shareholdings as indicated in the text.

Annual profits and losses (round pounds)

Year	1792	1793	1794	1795	1796	1797	**1798**
Consolidated	£4,092	(-£7,821)	£6,698	(-£772)	£1,748	[no rtn]	£3.189
Wheal Gorland	(-£585)	(-£888)	(-£1,306)	(-£714)	(-£4,039)	(-£212)	£3,162
Wheal Hope	(-£29)	(-£96)	(-£49)	(-£206)	(-£341)	(-£246)	(-£648)
Wheal Jewell	£2,652	£4,067	(-£1,190)	£9,921	£4,770	£1,690	£3,014
Wheal Unity	£15,643	£8,803	£13,151	£16,021	£15,362	£16,257	£16,968
TOTALS	£17,773	£4,065	£17,304	£24,250	£17,500	[£17,489]	£25,685
Colonel Rodd	£908	(-£122)	£967	£619	£749	[£677]	£906
Francis Rodd	£101	£151	(-£421)	£711	£555	£74	£935
TOTALS	£1,009	£29	£546	£1,330	£1,304	[£751]	£1,841

As there was no return for the Consolidated Mines for 1797, the totals enclosed in [square brackets] are not fully conclusive.

In 1798, Colonel Rodd held a $^{1}/_{16}$th share in Consolidated and $^{1}/_{24}$th in Unity; while Francis Rodd held ¼ of $^{15}/_{16}$th in Gorland, $^{1}/_{8}$th in Hope, and $^{1}/_{12}$th + $^{1}/_{128}$th in Jewell.

Source: Extrapolated from data from PP 1799 *Copper Report*, Appendices 18-31

[1] CRO (Rodd), RD/1473-1490: Royal Cornwall Militia, various officers' commissions (1781-1798).

Projecting their 1798 holdings back through the decade, after the manner of Table 6.6, shows that by and large good years offset bad years, and profitable mines the unprofitable. The Rodd family were thus well used to the fluctuations in mining fortunes. Francis Hearle Rodd's $^{1}/_{8}^{th}$ share in Wheal Hope would not likely have been newly-acquired. His larger stake in Wheal Gorland (which did not become profitable until 1798) was most likely also a prior commitment; indicative of a dogged persistence that had paid off in the successful ventures in the profitable Gwennap mines. The basis of the family fortune was their large estate in Cornwall, amounting to 7,912 acres by the 1870s, and comparable to that built up by the Lemon family and their Tremayne successors by that time (Jaggard 1999, 160). The extent, involvements and ramifications of the estate in Colonel Rodd's day, and the negotiating power it conferred, is illustrated by the marriage settlement of Francis Hearle Rodd and Mary Ann Coryton in 1795,[1] which recites the provenance by inheritance of a large range of properties on both sides stretching across Cornwall into Devon. It can be said that, as a partner in the Miners' Bank, Rodd's qualifications were comparable to Lemon's in terms of land holding if not mining investment; and that prospectively he could bring the same depth of resource and commitment as Lemon had offered.

Although a medical practitioner in Truro, **John Gould** had wide-ranging business interests; and was also a partner with Rodd and others (notably the Fox family of Falmouth) in the tin smelting concern of Sawle, Fox & Co; this partnership was renewed in 1795 with a capital of £52,347;[2] a much larger enterprise than the Miners' Bank as it is being described here.

According to Boase (1890, col. 1347) the partnership between Rodd, Willyams and Gould did not begin until 1797; but a `minute book' survives for earlier years back to 1794, the year in which documentary references to Richards and Furly finally fade away.

[1] CRO (Coryton), CY 7367-7368: marriage settlement, Francis Hearle Rodd and Mary Ann Coryton (26 and 27 June 1795).
[2] CRO (Rodd), RD/1149: copartnership agreement, Sawle, Fox & Co. (5 May 1795).

This brief document [1] records the barest details of what were no more than annual formal meetings between the three partners. Generally, the only business transacted was the declaration of the dividend; however, at the first recorded meeting, the profits for the year ended 31 December 1793 (£1,439 12s 7d) were not divided but carried forward. There was then no recorded formal meeting until 3 March 1797, when £225 was divided equally; and it was resolved that in future no more than 5% of the value of the stock would be apportioned as dividend. £300 was divided in 1798, £360 in 1799 and 1800, £350 in 1801, £220 in 1802, and £600 in 1803; in which seemingly prosperous year the salary of their senior clerk Thomas John was raised to £120, and that of his colleague to £80, backdated to 31 December 1802.

The prosperity of the bank continued to rise at the height of the Napoleonic War, and £650 was divided in 1804 and £750 in 1805. The last recorded meeting was on 19 May 1806, when £824 12s was divided; but there was also a division of assets: £6547 11s 8d in 3% Consols stock and £1172 3s 2d in Bank of England stock (the safe investments of the day) were divided equally between the three partners. Rodd and Gould are said to have had other interests outside the bank which compromised their commitment (Matthews and Tuke 1926, 264-265). This may have meant their investments in the mining industry, which was suffering heavy losses at this time (Lewis 2006, 166).

This terminal situation is charted in part by a correspondence between Willyams, John Gould junior (son of the Doctor) and the Rev. Henry Hearle Tremayne of Heligan, who had originally acted as the final arbitrator between the partners in the Agreement Quinquepartite, and was still being called upon to perform this role. The first letter, from Willyams to Tremayne,[2] was written the week before the division of assets in May 1806 as a pre-emptive explanation of his motives.

[1] CRO (Willyams), W78: Miners' Bank, `minute book' (1794-1806).
[2] CRO (Tremayne), T/2419: Willyams to Tremayne (13 May 1806).

He pointed out that he has had the management of the bank for `upwards of thirty years' with resultant declining health; that he had requested assistance; and that he `could not fix upon so proper a person as Mr. John Williams', in part `on account of his fascination with balance … and the Means he has of promoting the Interests of the Bank …' A year later, John Gould junior wrote to Tremayne, advising the `decided determination' of the Rodds in `taking no Part in that Concern for the future'.[1] He continued: `… as Major Willyams has signified an Intention of taking the same Step (with an evident design of establishing a new Concern) my Father stands of course alone and deserted.' He regarded the bank `as our Establishment of certain though moderate Endowment if conducted with Prudence'; the Goulds were interested in continuing the business themselves if possible.

He wrote again in February 1808, in expectation of a new bank at Truro being established by Willyams, and pleading for Tremayne's support of the Gould interest rather than giving it wholeheartedly to Willyams and John Williams.[2] Tremayne replied that he had obligations to Williams: he had been his `protector' during his minority; and that his cousins by marriage the Rodds had also promised Williams their support. He was sorry that the Goulds found themselves `in competition with Major Willyams', with whom he had `no Connexion whatever' and therefore no influence.[3]

Gould's prompt but stiff reply denied that his simple request detracted from Tremayne's affection for Williams; and he took deep offence from Tremayne's refusal of assistance.[4] In his rejoinder,[5] Tremayne expressed himself shocked to receive such a reprimand; and qualified his position by saying that his protection of Williams `plainly referred to the situation of Mr. John Williams in the younger part of his life, and not to the present day.'

1 CRO (Tremayne), T/2422: Gould to Tremayne (14 May 1807).
2 CRO (Tremayne), T/2424: Gould to Tremayne (27 February 1808).
3 Tremayne to Gould (4 March 1808), copied in T/2424 as above.
4 CRO (Tremayne), T/2425: Gould to Tremayne (5 March 1808).
5 CRO (Tremayne), T/2426: Tremayne to Gould (12 March 1808).

He said that he had received complaints about `his mode of Banking' for which he, Tremayne, was not answerable and referred the grievances to Colonel Rodd: that Williams `drew too deep on the Banks', that his actions needed to be watched; and that he improperly mixed up different accounts in the ledgers. Tremayne also stated that his nephew `Mr. Hearle Rodd, if he outlived his Father, would … [use] … every possible means to dissolve his connexion with the Miners' Bank and by no means would have engaged with any new Partner or successor.' He further said in this letter that `Mr. John Williams, as Purser and Manager of our Mines will transact his business where he pleases. I always settle our Family Account with him independent of any banks …' Tremayne's final justification of his conduct was a declaration that `from the beginning, he declined having anything to do with the new Arrangement of the Miners' Bank.'

The partnership was formally terminated with effect from 31 March 1808,[1] a few days after the stormy conclusion of this correspondence. Willyams' new partnership was advertised as a new business, initially carried on from his own house, but returning to the former premises in May 1808;[2] and reverting at first to the original title of the `Copper Miners' Bank', as shown on its note issue (Hicks 1950-1951, 186).

6.2.7 Willyams, Williams & Co – and further changes

Under the new legislation of 48 Geo III, c. 88, a bankers' licence (authorizing and regulating the issue of notes – Pressnell 1956, 143-144) was issued for the Miners' Bank on 11 October 1808 [3] to James Brydges Willyams (1771-1819; the elder son of James Willyams), representing Willyams, Williams & Co.; this was valid for one year until 10 October 1809, with a fee of £20. The Williams in the title was possibly the John Williams discussed in the previous section, now taken into partnership and identifiable as John Williams junior (1777-1849).

1 *West Briton,* 21 January 1809; *London Gazette,* 12 September 1809.
2 *West Briton,* 2 April and 21 May 1808.
3 CRO (Willyams), W79: Miners' Bank papers, banker's licence (11 October 1808).

The son of John Williams of Scorrier (`Old John'; 1753-1841); both Willyams and Tremayne in the correspondence cited in the previous section emphasize his youth as well as his mining connections and influence, and his rather sharp business practices – `John Junior', alongside his brothers, commanded respect but not affection (Barton 1970, 17). This partnership was very short-lived, as it was dissolved with effect from 31 July 1809.[1]

Boase says that a John Williams of Scorrier then became a partner on 1 August 1809 (the day after this dissolution), resigning on 1 January 1810 to join the Cornish Bank instead (Boase 1890, cols. 1346-1347). He can be positively identified as `Old John' himself, who definitely joined the Cornish Bank on this date (Tregidga 2009; Barton 1970, 14); once again, James Willyams was left looking for partners of substance willing and able to offer long-term commitment.

A glimpse of the day-to-day routine business of the bank during this uncertain period is given by a letter dated 20 April 1809 from John Tregellas to `Thos. John, W.W. & Co., Miners' Bank, Truro', requesting a statement of his late father's account, and apologizing for his inability to visit the bank in person owing to his being `confined by the gout'. He also conveys his `best respects to Mr. Willyams'.[2] This shows the personal dimension to the bank's transactions; and also to the prominence of Thomas John in the business as the preferred point of contact for established clients. From the client's point of view, business was done with familiar and trusted individuals behind the bank counters, rather than with the bank as an institution; such dealings formed the basis of public confidence in the bank, and gave bank staff status in the community (Armstrong 1937, 51-59). In looking after other peoples' money, and making financial decisions, they would have to build trust, confidence and respect with both their employers and their clients. The reputation of the employees and their own social standing was thus at one with the reputation of the bank and its partners.

[1] Not announced in the *London Gazette* until the following 1 May - `as witness our hands, 13 April 1810: James Brydges Willyams, James Williams [and] Thomas John'.
[2] CRO (Willyams), W79: Miners' Bank papers, Tregellas to John (20 April 1809).

The leading copper mines of 1799, mostly financed by Cornish adventurers, had largely shut down within the next decade. Recovery from 1809 onwards was increasingly supported by London capital (Lewis 2006, 166-167). The constituency of the capital base of the Miners' Bank was shifted by participation from the more stable fortunes of the South Wales smelting industry; the expansion of which, in contrast to Cornish mining, was being financed by the reinvestment of profits by private partnerships (John 1950, 40-41). The new partners in the Miners' Bank in 1810 were Ralph Allen Daniell (1762-1823), Joseph Knight (Bodrean), and John Vivian (1750-1826) - Daniell, Willyams, Vivian & Co. James Willyams continued as managing partner; with Joseph Hodge coming into prominence as `confidential clerk' (Boase 1890, col. 1347). Boase has it that it was John Vivian's son John Henry (1785-1855), rather than his father, who became a partner at this time; but he was heavily committed to the family smelting business in South Wales (Roberts, R.O, 1980, 58, 61; Hughes 2008, 30),[1] and John Vivian is confirmed by Newell (2009b) as being the partner in the bank. There were strong political connections within the new partnership; which became a powerful force in the borough politics of Truro. Daniell, Vivian and Humphry Willyams together took a prominent part against the unpopular and entrenched Boscawen interest in the controversies surrounding the acrimonious borough election of 1818 (Jaggard 1999, 61-62).

Originally a wine and lime merchant, **John Vivian** became the agent in Cornwall for obtaining copper ores for the South Wales copper smelter Thomas Williams, and for the Cheadle Brass & Wire Company, of which he became a partner in South Wales from 1800 to 1808. Thereafter he started his own firm at Hafod near Swansea in 1810 (John 1950, 30), in which he was joined by his sons Richard Hussey Vivian (1775-1842)[2] and John Henry Vivian, who was the works manager. By 1820, Vivian & Sons had become the second largest producer of copper in Britain.

[1] According to Matthews and Tuke (1926, 266), he did not `appear ever to have taken any active part in the bank'.

[2] He could only have contributed capital, being a serving army officer on active service, distinguishing himself in the Peninsular War and at Waterloo (Vetch 2005)

John Vivian himself had returned to Cornwall by 1811, in later years serving as magistrate, High Sheriff, and Vice-Warden of the Stannaries. He was also a prominent mine adventurer and supplier of mining materials (see Table 6.8 below), and deputy governor of the short-lived and unsuccessful Cornish Metal Company from 1785 to 1792 (Newell 2009b; Newell 2009c; Rowe 1993, 80-88; John 1950, 31). It was he who compiled the information presented as Appendices 19-31 in the 1799 *Copper Report*.[1]

Ralph Allen Daniell was from another notable Cornish commercial family, with business connections with the Miners' Bank partners over many years: in 1790, a bill for £9 10s, drawn by Daniell and Willyams of Truro on Forster & Co. of London, was among a parcel of bills lost out of a mail coach.[2] His father, Thomas Daniell (1715-1793), had been chief clerk to the `great Mr. Lemon', greatly profiting from becoming one of the trustees of his estate in 1760, and had been involved in the Hayle quayside development in the 1740s: he shared in the £146,000 profit made by the adventurers in the Great Towan mine (MacKenzie 2007, 49; Rowe 1993, 131). Ralph Allen Daniell continued the process of wealth creation; at his most prosperous, he was said to have been nicknamed `Guinea-a-Minute' Daniell (Stacey 2011, 10). He represented West Looe in Parliament from 1805 to 1812, where his allegiances were uncertain (Thorne 1986a). Table 6.8 shows that Daniell could have enjoyed spectacular success in the good years of the 1790s, far in excess of the average adventurer; and equally to have taken a much larger share of the losses when they occurred. In 1798, Ralph Allen Daniell held a $^{29}/_{64}$th share in Consolidated, $^{1}/_{6}$th in United Mines and $^{1}/_{32}$nd in Unity; while John Vivian held $^{5}/_{128}$th in Consolidated, $^{1}/_{24}$th in Jewell, $^{1}/_{64}$th in Treasury and $^{3}/_{128}$th in Unity. He was heavily committed to the Consolidated Mines and their succession of profit and loss; on their behalf, he negotiated for new leases on setts.[3]

[1] 1799 *Copper Report,* Minutes of Evidence, pages 38-40.
[2] *London Gazette,* 7 September 1790.
[3] For example, on Cusgarne Common; CRO (Ratcliffe & Henderson), RH/1/621/1, 2: lease for 21 years, Sir John St Aubyn to Ralph Allen Daniell `on behalf of self and adventurers in Consolidated Mines' (31 December 1806).

Table 6.8

Daniell and Vivian: projected returns from mining investments, 1792-1798

Compiled on the same basis as Table 6.6; shareholdings as indicated in the text.

	Annual profits and losses (round pounds)						
Year	1792	1793	1794	1795	1796	1797	**1798**
Consolidated Mines	£4,092	(-£7,821)	£6,698	(-£772)	£1,748	[no rtn]	£3.189
Wheal Jewell	£2,652	£4,067	(-£1,190)	£9,921	£4,770	£1,690	£3,014
Treasury	£5,180	£4,442	£5,495	(-£1,498)	(-£530)	(-£1,613)	(-£5,614)
United Mines	£3,375	£5,336	£3,264	(-£1,568)	£1,788	£979	(-£4,244)
Wheal Unity	£15,643	£8,803	£13,151	£16,021	£15,362	£16,257	£16,968
TOTALS for above	£26,942	£14,827	£27,438	£22,104	£23,138	[£17,313]	£13,313
Ralph Allen Daniell	£2,906	(-£2,379)	£3,990	(-£110)	£1,570	[£671]	£1,268
John Vivian	£718	£140	£606	£735	£619	[£426]	£560

As there was no return for the Consolidated Mines for 1797, the totals enclosed in [square brackets] are not fully conclusive.

Source: Extrapolated from data from PP 1799 *Copper Report*, Appendices 18-31.

A much larger stake in Wheal Unity would have been desirable, but probably unobtainable as the adventurers would have kept their shares to reap the profits. Heavy losses somewhat reduced his circumstances in later years (Thorne 1986a). Vivian, on the other hand, with his smelting and merchanting interests, had a smaller stake as a mining adventurer, but one with a more certain return; and Daniell was attracted to the prosperity of South Wales copper in 1805, when he joined in the establishment of the Llanelly Copper Company with R.J. Nevill (Swansea), John Guest (Birmingham) and William Savill (London). The initial capital was £40,000, rising to £50,000 in 1821; but £79,300 had been borrowed in London by 1825. These were very large amounts compared to the original capital of the Miners' Bank (section 6.2.2); whose development over half a century is shown by the `substantial help' it was able to give the Llanelly Company into the 1830s (John 1950, 30, 43-44).

The South Wales connection had arrived at a critical juncture in the fortunes of the Miners' Bank; and also demonstrated that large industrial concerns now required multiple sources of finance to meet their needs. The Llanelly

Company's short-term credit requirements were met by banks in London and Carmarthen as well as in Cornwall (John 1950, 49).

The Miners' Bank partnership had been extended to include Thomas John by 1817 (Daniell, Willyams, Vivian & John), evidenced by a bond and indemnity of John Swan dated 28 November 1817.[1] Thomas John died in 1822 (Boase 1890, col. 1347). John Vivian died in November 1826, leading to the dissolution of the partnership as it then stood: `Sir R.H. Vivian & John Henry Vivian, and James Willyams, Humphry Willyams & Joseph Hodge – Dissolution of Copartnership and mutual Release'[2] was drafted on 20 April 1827, and published in the *London Gazette* on 22 June, signed by Humphry Willyams, Joseph Hodge, and R.H. Vivian (as the administrator of John Vivian); and the mark of James Willyams.[3]

Humphry Willyams (1792-1872) succeeded his father James Willyams after his death in 1828 at the age of 87; and together with Joseph Hodge the new partnership was Willyams, Hodge & Co. (Boase 1890, col. 1347). Hodge thus followed Thomas John in being what may be regarded as a `professional' banking partner in the Miners' Bank, in that he was a career banker first and foremost, with no compelling outside commercial interests competing for his attentions. A new phase in the development of the bank was under way. His rising status in the community was confirmed by serving as mayor of Truro in 1838-1839.[4] There was now continuity and expertise in the staffing of the bank, with long-serving `confidential clerks' eventually taken into partnership. It is remarkable however that the bank had no branches, even in the mining districts, until it opened in Camborne in 1834 (Boase 1890, col. 1330).

[1] CRO (Willyams), W79: Miners' Bank papers, bond and indemnity of John Swan (28 November 1817).
[2] CRO (Willyams), W79: Miners' Bank papers, draft `Dissolution of Copartnership and Mutual Release' (28 April 1827).
[3] *London Gazette,* 22 June 1827
[4] List of mayors at http://www.truro.gov.uk/TheCouncil/Past-Mayors.aspx (accessed 1 February 2014).

6.2.8 The settled family business

The Miners' Bank, after decades of unsettling changes in the partnership, assumed its final identity of Willyams, Willyams & Co. in 1859. After the retirement of Hodge in 1850, Humphry Willyams had run the bank single-handed until James Robarts Rowse (Truro, died 1859) had become an associate in 1853 (Matthews and Tuke 1926, 265-266). New capital and entrepreneurial charisma had not been readily attracted to the Miners' Bank in the long term; but now the marriage alliance with the Carus-Wilson family brought institutional stability and flair, enabling the business to be built on respect and careful administrative practice within the aura of *Gemeinschaft*.

The 1861 Census enumeration for Carnanton House revealed quite a family gathering: Edward Shippard [1] Carus-Wilson (Lancashire, born 1831) had become a partner in 1855; and had married Humphry's daughter Ellen Anne. Edward William Brydges Willyams (born 1833) and Arthur Champion Phillips Willyams (born 1838), sons of Humphry, had joined the firm in 1860 and 1861 respectively; followed by Arthur Pate Nix (Worth, Sussex) in 1866; the year in which new premises were built in Princes Street, Truro (Boase 1890, col. 1347). The bank had now become a synergistic and well-connected family business with a broader financial base (Matthews and Tuke 1926, 267). Nix made his career in banking, joining the board of the Consolidated Bank after the 1890 merger, and ultimately becoming a local director of Barclays (section 9.6.1).

Two more branches only were opened in the later years of the bank. A subsidiary partnership commenced in St. Columb during 1863, and was known as the Miners' Small Bank; it was operated by Willyams & Co. in conjunction with John Nicholls (the erstwhile disaffected partner in the St. Columb Bank; see section 8.5).[2] The second branch further broadened the financial base of the bank when it opened in Newquay in 1874 (Boase 1890, col. 1338).

[1] This is the definitive spelling, used in the marriage notice (*West Briton*, 27 October 1854); although it is usually rendered `Sheppard'.
[2] Shown separately in the annual partners' return (*West Briton,* 10 February 1870, 8

This was now a new and expanding town, owing its subsequent development to tourism rather than the mining and fishing which Joseph Treffry found there in 1838, when he planned to develop it as a commercial port in competition with Portreath (Keast 1982, 137-139). Something of the expanding scope of business at the Miners' Bank in the middle 1860s is indicated by a notice under the heading of `Remittances to Australia', placed in the *West Briton* on 12 January 1866 by the English, Scottish & Australian Chartered Bank (of Adelaide, Melbourne and Sydney) and subsequently repeated, offered a remittance service using letters of credit issued by the Miners' Bank in Truro and Camborne. In 1878, Edward Willyams Carus-Wilson (born 1857,[1] son of Edward Shippard) became a partner (Boase 1890, col. 1347).

Humphry Willyams lived to become a celebrated and much respected figure in whom the spirit of enterprise and calculated risk-taking burned brightly. He had been instrumental during the 1860s in using his own capital to rescue the formerly prosperous Crenver and Abraham mine in Crowan, conferring considerable social benefits to the district in so doing. Although using his own and not the bank's money, it added to his exposure to risk under unlimited liability while externalizing it from the bank's liabilities. In recognition of this, he received a glowing testimonial from the Camborne mining community.[2] This also honoured his lifetime achievement as banker, smelter (he was a partner in another Llanelli concern [3]) and adventurer with influential London connections.

In summary, it can be said that the only continuous thread from the beginning was the Willyams family; but with the bank not settling down as a stable family partnership as such until the 1850s. It can also be said that it was a faltering familial charisma, expressed through dedication and hard work, which sustained the bank; eventually underpinned by a growing professionalism and broadening outlook which was able to become independent of the dwindling fortunes of the mining industry.

[1] He was recorded as being four years old in the 1861 Census enumeration.
[2] *Royal Cornwall Gazette,* 17 February 1872, 4.
[3] Sims, Willyams, Nevill, Druce & Co (Matthews and Tuke 1926, 266).

6.3 Landed capital and the Cornish Bank

6.3.1 Foundation of the Cornish Bank

At the beginning of banking in Cornwall in the 1770s, investors and entrepreneurs outside the mining interest who sought financial accommodation would be looking for a more broadly-based concern than the early Miners' Bank. Though familiar enough in London, and used in the manner described above (sections 6.2.4, 6.2.5), banking partnerships were an untried innovation in Cornwall in 1771. For the landed interest, participation in financial enterprise could be regarded as part of a larger agenda for supporting the social stability on which their political and economic power depended (section 5.2). However, estates would be exposed to the risks of unlimited liability; and losses from banking operations could disrupt the steady cash flow from rental incomes into predictable expenditures and safe investments. Many of the most prominent families, such as Hawkins and Gregor, remained aloof.

On 24 June 1771, Sir John Molesworth and Co. began business in Truro as the Cornish Bank (Boase 1890, col. 1346); with, as will become apparent, a more dependable and broader capital base than the Miners' Bank, and a less risky financial strategy. The original partners were Sir John Molesworth (Pencarrow, 1729-1775), Edward Craggs Eliot (St. Germans, 1727-1804), Silvanus Jenkins (Truro), and Humphry Mackworth Praed (Trevethoe, St. Ives, *circa* 1718-1803). None of these names are mentioned in the 1799 *Copper Report*; not even Praed, who is characterized by Namier (1964a) as a `mining adventurer' (section 6.2.2). After Molesworth's death, the firm became Eliot & Praed.[1] Pressnell doubts this 1771 founding date, as the first Order (or Minute) Book of the bank consulted by him[2] shows the first meeting of the partners as taking place in 1774 (Pressnell 1956, 18, 106).

[1] This is attested by the title on Hannah Harington's statement of account for 1776: CRO (Tremayne), T/2119 (1779).
[2] Currently unavailable (section 2.2.1; and Brunt (2006), 94, n72).

Silvanus Jenkins, who served as mayor of Truro in 1784, was manager of the bank `until his sudden death in 1804' (Jennings 1907, 140). Around 1776, David Jenkins (d. 1791), brother of Silvanus, and Thomas Nankiwell (d. 1817) had joined the firm. Francis Basset, afterwards Baron de Dunstanville, joined in 1779; and remained a partner until 1801 (Boase 1890, col. 1346).

Molesworth and Eliot are said to have `resorted to banking to supplement the incomes of their landed estates' (Rowe 1993, 217). Domiciled in east Cornwall, they had few local opportunities for other investment prior to 1800. The development of mining, china clay and transport infrastructure in mid-Cornwall awaited the future enterprise of Joseph Austen among others (Keast 1982, 122-136); the discovery and working of the Caradon mines also belonged to a later era (Rowe 1993, 149-151). In 1772, they were associated in the Cornish Tin Company, of which Molesworth was president and Humphry Mackworth Praed had contributed £5,000 towards its capital (section 5.3; Rowe 1993, 59-60).

Their Parliamentary careers were also linked. Mackworth Praed had been MP for St. Ives from 1761 to 1768; and, following the stormy election mentioned above (section 6.2.2), represented Cornwall from 1772 to 1774 jointly with Molesworth, who had served since 1765 (Namier 1964b). After Molesworth's death, Eliot was elected unopposed, representing the county alongside Sir William Lemon. Eliot resigned his seat in 1784 when he was created first Baron Eliot (Smith, E.A,, 2006). Alongside Molesworth the `independent country gentleman' (Namier 1964b), Praed was a pragmatist in Parliament as in business, voting according to his conscience or the expediency of the occasion rather than being partisan in his loyalties. Neither Newcastle nor Rockingham found him a reliable supporter, and `the political managers did not know what to make of him' (Namier 1964a).

His son **William Praed** (1749-1833), who was not resident in Cornwall, became a partner with Eliot in Biddulph, Cocks, Eliot and Praed in London in 1776, the Cornish Bank's first London correspondents (section 6.3.1.2; Boase 1890, col. 1337). He became a junior partner in the Cornish Bank in 1779, and the senior

partner in 1802. In 1778, he had married Elizabeth Tyringham; and lived in Buckinghamshire at Tyringham Hall, near Newport Pagnell (Fairclough 2008). Although he had joined his father in the bank, he thereafter gradually gave up his active involvements in Cornwall, while retaining his political interests and influence. From 1781 to 1806 he was MP for St. Ives (Thorne 1986b), which `he resigned to concentrate on banking and in particular his own firm of Praed & Co., bankers of Fleet Street, which he had founded towards the end of 1801' (Faulkner 1972, 18-19). From 1793 to 1821, he was chairman of the Grand Junction Canal Company, which improved connections between the Midlands and London. Instrumental in its formation, he was also deeply involved in some of the detailed negotiations during construction (section 6.3.1.2; Faulkner 1972, 17-18, 27-28, 33, 129; Thorne 1986b). With this depth of commercial experience, and as an established London banker, he would have brought considerable managerial expertise to the Cornish Bank; but most likely more in a consultative capacity in view of his remote domicile and his other preoccupations. William Praed is sometimes confused with his cousin, the serjeant-at-law William Mackworth Praed (1756-1835); whose father, also William Mackworth Praed was a founding partner of the Exeter Bank in 1769 (Thorne 1986b; Newton, R, 1984, 66-67). This bank had a counterpart relationship in London with Halliday, Duntze, Praed & Co (Pressnell 1956, 107-108). Hilton Price was bemused at the two unconnected institutions in the capital, each with a William Praed as partner (Hilton Price 1891, 76). Table 6.9 resolves the family connection.

Table 6.9

Praed family in Cornwall and Devon

```
                    William Mackworth (1694-1752) = Martha Praed
                    ____________________|____________________
Humphry Mackworth Praed (c. 1718-1803)                William Mackworth Praed
          [Cornish Bank]                                     [Exeter Bank]
                    |                                                  |
          William Praed (1747-1833)                  William Mackworth Praed (1756-1835)
           =. Elizabeth Tyringham                                  =. Winthrop
                                                                       |
                                                   Winthrop Mackworth Praed (1802-1839)
```

Sources: Thorne 1986b; Newton, R (1984, 66-67)

The **Basset** family of Tehidy in Illogan had been established there since the twelfth century; and had long been prominent in Cornish society and politics (Tangye 2002). They had built up a huge estate across Cornwall, and in the earlier eighteenth century Francis Basset (1715-1769) had turned to the exploitation of their mineral resources. Income was derived both from the dues received as mineral lords and from an increasing direct investment in the mines themselves (Gill 2011, 9); although the 1799 *Copper Report* shows this direct investment to have dwindled by the end of the century (see Table 6.10 below).

His eldest son, Francis Basset (1757-1835) was still in his minority when his father died; and was educated at Harrow (1770-1771), Eton (1771-1774), and Cambridge (1775-1777); completed by a Grand Tour in 1777-1778. He did not graduate as MA until 1786. Following his initiative and leadership in contributing to the defences of Plymouth, he was created Baronet Basset of Tehidy in 1779; and was active in political life both in Cornwall and Westminster, representing Penryn from 1780 to 1796 (with his brother-in-law John Rogers in 1780-1782). He became Baron de Dunstanville in 1796. He married Frances Susanna Coxe in London in 1780; and as a widower later in life married Harriet, the fourth daughter of Sir William Lemon, in 1824. His funeral in 1835 was a notable public occasion; and the monument atop Carn Brea, overlooking Redruth, Illogan and the central mining district, was erected as a memorial to his dominant and generally benign influence in the mining industry and the wider Cornish economic and political spheres (Thorne 2006).

The 1799 *Copper Report* shows that the Basset family, represented by Lord and Lady de Dunstanville, were losing money on from their shares in Cornish mines by 1798 (see Table 6.10). Instead, their substantial income from mining came from the royalty payments they received as mineral lords, as did Praed's. These payments, as already observed above, were in the nature of risk-free rents rather than the speculative rewards of adventurers (sections 5.2, 6.2.1). In 1798, Lord de Dunstanville held shares in only two mines in the Camborne area in 1798: a $^{1}/_{8}^{th}$ share in Cook's Kitchen and $^{1}/_{16}^{th}$ in Wheal Gons & Stray Park (a

combined operation at this time); in which mine Lady de Dunstanville had only a token holding of $^{1}/_{128}^{th}$.

Table 6.10

Lord and Lady de Dunstanville: projected returns from mining investments, 1792-1798

Compiled on the same basis as Table 6.6; shareholdings as indicated in the text.

Annual profits and losses (round pounds)

Year	1792	1793	1794	1795	1796	1797	**1798**
Cook's Kitchen	£14,647	£14,237	£11,032	£11,322	£7,438	£545	(-£1,473)
Gons & Stray Park	£5,222	(-£4,420)	(-£3,537)	(-£5,970)	£789	(-£1,797)	£2,282
TOTALS for above	£19,869	£9,817	£10,495	£5,352	£8,227	(-£1,252)	(-£809)
Lord de Dunstanville	£2,157	£1,503	£1,158	£1,042	£979	(-£44)	(-£41)
Lady de Dunstanville	£41	(-£35)	(-£27)	(-£47)	£6	(-£14)	£18
TOTAL RETURNS	£2,198	£1,468	£1,131	£995	£985	(-£58)	(-£23)

Source: Extrapolated from data from PP 1799 *Copper Report*, Appendices 18-31

De Dunstanville's biggest holding was in Cook's Kitchen, where he was also mineral lord (Morrison 1980, 233). Profitability was declining through the 1790s relative to the aggregate returns for the mines included in the 1799 Copper Report; returns were greater in the Gwennap area, where the Lemons had made their continuing fortune (see Table 6.6). The Dolcoath mine, another Basset sett, was inactive during the 1790s (and thus not mentioned in the 1799 *Report*), driven out of production by competition from Parys Mountain. Gons and Stray Park, active in the 1790s, were related setts immediately adjacent to Dolcoath that were later to become part of its greatly enlarged operation in 1870 (Morrison 1983, 61-71). Andrew Vivian [1] was the captain of Stray Park, and instrumental in the reopening of Dolcoath in 1799. He received the financial support of other investors, including the Fox and Williams families, alongside de Dunstanville (Morrison 1983, 14).

[1] For his other activities including banking, see above, section 6.1.1.

Cook's Kitchen, to the north of Dolcoath, was more profitable during the earlier 1790s. This is indicated by the figures in Table 6.10 showing Lord de Dunstanville's projected dividends from one-eighth of the shares. His royalties as mineral lord were separate from this, and amounted to £5,323 in 1795; it was estimated in 1796 that the Basset family had received more than £300,000 over the years in royalties and dividends from mining in the Camborne area (Morrison 1980, 233). The Bassets (and the Praeds, who also owned extensive mineral rights) were therefore deeply interested in the continued prosperity of mining in Cornwall, and would invest where necessary to create, maintain or recover workings that would pay increased and guaranteed royalties (independent of any profitability for the adventurers) from greater production. In the terms of section 5.1, they were investing deeply in the socioeconomic landscape, rather than taking profits at the transactional level.

In conjunction with others, the Bassets also invested over a long period in infrastructure projects that would facilitate mining operations, notably Portreath Harbour and the Poldice tramway (Barton 1970, 126-158). To this extent, they appear as venture capitalists; but seemingly regarded dividends distributed from profits as a risky bonus. These did not form the main part of their income, as they had done for Lemon before he became a landowner. The Bassets would not, therefore, have found it necessary as adventurers to dilute their risk through a portfolio of holdings in different mines.

John Rogers (1750-1832), of Penrose near Helston, became Basset's brother-in-law in 1776; the deed of the marriage settlement[1] conveyed an extensive list of Basset properties to him. Having first entered Parliament in 1775 as a member for West Looe, he represented the Penryn constituency alongside Basset from 1780 to 1782 (Brooke, John, 1964b). While there is no record of him participating in the first Cornish Bank partnership (Pressnell 1956, 107), he took de Dunstanville's place in 1802.[2]

[1] CRO (Harvey), H/212/3: marriage settlement of John Rogers and Margaret Basset (27 September 1776).
[2] *Sherborne Mercury,* 4 January 1802.

By 1806 he was involved in the separate but interlocking partnership which was managing the Cornish Naval Bank in Falmouth (Boase 1890, col. 1331).

6.3.1.1 Management and commercial ethos

With Molesworth at 42 years old, Eliot 44, and the elder Praed around 53 in 1771, this was not a young man's enterprise like the early Miners' Bank. Molesworth, Eliot, and Praed were substantial landowners. While they might in many ways have been bold innovators, they were primarily conserving and developing steady incomes from their properties in the traditional manner of the landed gentry. Though ambitious as rent seekers and accumulators of property, they were less inclined to riskier forms of financial speculation: all other ventures, however bold, were adjuncts and augmentations to their main source of income. The Cornish Tin Company, in which Molesworth and Humphry Mackworth Praed had been so deeply involved (section 5.3), was aimed at creating stability in the market.

From the outset, the original partners in the Cornish Bank were pursuing a prudent financial strategy, involving a generally strict approach to credit rationing; which enabled them to survive the recurrent crises (Presnell 1956, 309-314). With no investments in cost-book mining, they did not have to raise over-large capital sums at short notice which were beyond their resources; or find outside investment outlets for large windfall dividend receipts. In general, they sought rather to create a stable and dependable financial platform for their bank, unencumbered by illiquid debts with unrealizable securities. The accession of Basset to the business in 1779, with his long-term mining commitments and deep interest in capital investment, reinforced the emphasis on the creation and consolidation of capital rather than its speculative enlargement.

The financial ethos of the Cornish Bank, making for a steadier business run by a stable and enduring partnership with an orderly pattern of succession, and the

added prestige of aristocratic involvement by Basset, Eliot and Molesworth alongside Praed expertise, was thus very different to that of the Miners' Bank, with the wide discretion allowed for its lending activities in the Agreement Quinquepartite, and the frequent changes in its partnerships (section 6.2). There was none of the £10,000 discretionary mortgage limit allowed to the managing partners of the Miners' Bank (section 6.2.2). In 1819 for example, loans over £3,000 had to be approved by all the partners (Pressnell 1956, 313-314). Yet Brunt's powerful suggestion is that some financial enterprises like the early Cornish Bank could still behave more like venture capitalists alongside the provision of a wider range of financial services in the modern sense: `high-risk investment vehicles for wealthy people who were looking for high returns in growth industries' (Brunt 2006, 76). Higher risks were accepted in the expectation of much higher returns than the statutory 5% interest in force at this time – an anachronistic relic of the old usury laws, finally repealed in 1833 and 1854 (Checkland 1964, 200). The trick was to contain the exposure to the risky liabilities of long-term mining investment, within the scope of the sheer wealth of the partners as major longstanding stakeholders in the Cornish economy.

A measure of the bank's stability and sustainability, and also perhaps the political influence of the partners, was its role as official revenue collector. To safeguard the revenue, this was of necessity a carefully-monitored privilege recognizing the soundness and integrity of the chosen institution. The Cornish Bank had remitted £30,301 in collected excise duties between 14 June 1800 and 19 September 1801, through another London agent, Glynn, Mills & Co. Tax and excise revenues collected for remittance greatly expanded the deposits in the selected country banks during the Napoleonic wars; the reduction in taxation after 1815 severely reduced their liquid deposits, contributing to the failures of those years (Pressnell 1953, 378, 385). The Cornish Bank survived this period, extending to 1830, through a certain `robustness of management' (Fitzmaurice 1991, 14). This `robustness' was expressed through a rigorous credit control policy from 1779 onwards; more rigorous than that followed by many contemporary institutions. There were three defined stages of debt recovery – request, demand, then legal action – but the process could still take

years; and prominent commercial names in west Cornwall, such as Blewett, were not exempt (Pressnell 1956, 309-314; MacKenzie 2007, 49, 52). But then neither was the bank itself in 1815, when in difficulties with its own associated correspondent in London, Praed & Co (Pressnell 1956, 314).

From 1812, the partners themselves were limited to £1,000 on overdraft without prior consultation (except for John Williams, whose mining circumstances and force of personality commanded £10,000). In 1802, Humphry Mackworth Praed had owed the bank £10,000, only partially secured (Pressnell 1956, 315, 323). In the early days of Cornish banking, the partners themselves would naturally regard their own borrowings from their bank as a proprietorial right rather than a moral hazard; and which moreover contained the risk closely within the radius of trust. It was unlikely that the credit allowed to Humphry Mackworth Praed would have been extended to outsiders. Whatever ulterior motives they may have had, private commercial banks, whether in Cornwall, England or New England, were set up primarily for the benefit of the partners, their families, friends and associates (Brunt 2006, 75; Pressnell 1956, 291-292; Hicks 1949, 293-295; Lamoreaux 1994, 12-29); a financial facility within a pre-existent *gemeinschaftlich* network.

In a measured manner, the bank was also responsive at this time to local money supply issues. In 1802, Bank of England notes in circulation in Cornwall were in poor condition; payment of them might be refused in London. A new £5 Cornish Bank note was authorized; but, like the Bank of England notes, only payable in London – this would protect the Cornish Bank from the possibility of any local runs. The supply of £1 Cornish Bank notes was also carefully increased to meet a rising demand (Pressnell 1956, 27, citing Cornish Bank Order Book, 13 July 1802).

The general ethos of risk management is illustrated by the new branch that was begun in Falmouth in 1806 (Boase 1890, col. 1331), serving the different and much riskier business of shipping and maritime finance. It was set up as the Cornish Naval Bank, under a different but interlocking partnership as Praed,

Rogers & Co., maintaining its separate identity at first while having some partners in common with the Cornish Bank in Truro. Organizational means were thus being used to differentiate risk and minimize the consequences of unlimited liability. It was a device also in use by the Crickitt family in Suffolk and Essex, with their separate partnerships for each branch in Chelmsford, Maldon, Colchester and Ipswich; this mitigated the failure of the Chelmsford bank in 1825-1826 (Jones, A.G.E., 1951, 404-405; Dawes and Selwyn 2010, 79-81).

While interlocking partnerships could be a way of circumventing the six-partner legislation, they can also be seen as a more efficient way of operating multibranch businesses, using resident partners in each locality. This was how Dingley's Launceston Bank expanded into Devon, with an associate partner at Okehampton (section 8.1); and how the Miners' Bank involved John Nicholls, the disaffected partner from the St. Columb Bank, in their venture there from 1863 (section 6.2.7). The greatest example of the interlocking partnership in Cornwall, however, was the Bolitho family involvement in the Mount's Bay and East Cornwall Banks, ultimately providing the basis for the great amalgamation in Cornish banking which created the Consolidated Bank (sections 6.4, 9.5).

The Cornish Bank was thus markedly different to the Miners' Bank in its management, outlook and general ethos. The contrast in the first decade of their existence is illuminated by the correspondence of one of their clients, Mrs. Hannah Harington. Normally resident in Exeter, the Rev. Henry Hawkins Tremayne acted as her agent in Cornwall in transacting the income from her mining investments. With deposits in both banks, she also had an account with Duntze & Co. in Exeter, presumably to cover her living expenses.[1] In the first letter of the series in August 1777,[2] she is acknowledging the receipt of a draft passed on by Tremayne, for interest due from the Cornish Bank of £14 10s 6d. This amount of interest indicates a substantial deposit.

[1] The statement of her account with Eliot & Praed (the Cornish Bank) shows a direct payment to Duntze of £100 on 9 March 1776 (CRO (Tremayne), T/2119 (1779).
[2] CRO (Tremayne), T/2121: Harington to Tremayne (24 August 1777).

She also mentions the failing fortunes of the Poldice mine, expecting the loss of income to be offset by the other mining investments in her portfolio. Further receipts were acknowledged in January 1781;[1] in this letter she says that she is afraid to trust the Miners' Bank, asking Tremayne to draw on that money first (although it can remain on deposit for the time being). In the following year's letter acknowledging receipt of interest due,[2] she confirms that she will `take care not to negotiate the draft for the Miners' Bank for some time'; suggestive perhaps of a cash flow difficulty which Tremayne, as an insider in the bank (see section 6.2.5), was anxious to alleviate.

If the first formal Miners' Bank partnership can be regarded as part of the `Lemon connection', then the early years of the Cornish Bank, with its intimate London connections and revenue collection function, can be similarly be regarded as its `Praed period'. Although Sir John Molesworth was the principal founding partner, his son and successor Sir William, prominent in Cornish politics (Jaggard 1999, 50-51) did not become involved in banking; and it was with the Praed name that the bank came to be identified after Sir John's early death in 1775.

6.3.1.2 The London connection

The first London correspondent of the Cornish Bank was Biddulph, Cocks, Eliot & Praed, a connected but separate concern. Biddulph and Cocks had been established since 1763 near Charing Cross (Boase 1890, col. 1337). It is possible that they had assisted in the formation of the Cornish Bank, in the same way that Lubbock and Furly may have helped the first Miners' Bank partnership.

[1] CRO (Tremayne), T/2135: Harington to Tremayne (3 January 1781).
[2] CRO (Tremayne), T/2138: Harington to Tremayne (7 January 1782).

By 1776, Biddulph and Cocks had been joined by William Praed and Edward Craggs Eliot,[1] who left this partnership in 1792; setting up Praed & Co. at 71 Fleet Street, London in 1800 (Boase 1890, col. 1337; Brunt 2006, 91, 95-96), subsequently London correspondents of the Cornish Bank. The partnership had grown by 1802 to become Praeds, Digby, Box, Babbage & Co. Philip Box, a banker from Buckingham, was an associate of Praed in the Grand Junction Canal (Faulkner 1972, 19, 129); and had thus joined what had already become an established metropolitan bank.

6.3.2 Development to 1870: Tweedy, Williams & Co.

This section takes the narrative of the Cornish Bank forward to 1870; a year marked by the death of Sir William Williams, and the date at which the fortunes of the bank began to show signs of decline. The period after 1870, leading to the bank's failure in 1879, is the subject of section 9.1.

The first, `aristocratic' phase of the Cornish Bank ended when Francis Basset, now ennobled as Baron de Dunstanville, withdrew from banking at the end of 1801;[2] while in the ensuing years Praed and his associates moved on to larger things in London and elsewhere. The entry of the Tweedy family after 1802 – administrators and bankers first and foremost - and the later participation of substantial Williams mining and smelting capital as the landed interest withdrew, engendered the development of a new and highly-regarded professionalism: Tweedy became `a name to conjure with' in Cornish banking (Fitzmaurice 1991, 15). The Cornish Bank was enabled to survive the financial crisis of 1825, when there was a run on the bank.

[1] Sayers, R.S. (1957, 336) states that it was his son John Eliot, afterwards Earl of St.Germans, who became a partner at this time; but he seems too young, being only 15 in 1776.
[2] Termination of copartnership agreement; *Sherborne Mercury,* 4 January 1802.

The `black Christmas' in which Elford's bank failed in Plymouth (section 5.1.2) was not replicated in Truro; where a declaration of confidence in the bank was signed by Lord Falmouth and `some brother landowners'.[1] By 1830, the partnership of Tweedy, Williams & Co, was managing the Cornish Bank in Truro, together with the branch in Falmouth. William Tweedy had moved from London, where he had held a post at the Navy Office (Fitzmaurice 1991, 14), to become a partner in the Cornish Bank in 1802, and manager in 1804 in succession to Silvanus Jenkins. `Old John' Williams had joined on 1 January 1810, following his resignation from the Miners' Bank (section 6.2.6). In 1817, he was joined by his son Michael. John Rogers continued as a partner until his death in 1832, when William Rogers succeeded, retiring on 2 March 1842 (died 1877). The ensuing succession of Tweedy and Williams partners is shown in Table 6.11, with their dates of accession listed in Table 6.12. The Tweedy family members also had roles in branch management prior to becoming partners (Boase 1890, col. 1348): these are tabulated in Table 6.13. Besides providing them with managerial experience and a career progression, the management of the bank's branches by Tweedy family partners brought proprietorial control of the business down to the level of everyday counter transactions.

Table 6.11

Succession of Tweedy and Williams partners in the Cornish Bank

Tweedy	**Williams**
(Management)	*(Capital)*
1802: William (managing from 1804)	
	1810: `Old John'
	1817: Michael
1834: William Mansel (managing)	
1849: Robert (managing from 1859)	1849: John Michael (withdrew 1862); William (Sir William)
1863: Edward Bryan (retired 1864); William II; Robert Milford	1863: Frederick Martin (Sir Frederick)
1864: Charles	
	1870: Michael II (retired 1874)

Source: Boase 1890, col. 1348

[1] Royal Institution of Cornwall (Hawkins), HH/14/162: Lord Falmouth to Sir Christopher Hawkins, 17 December 1825. See also section 6.6.2.

Table 6.12

Tweedy family succession

William Tweedy (1766-1854)

William Mansel (1796-1859)	Robert (1806-1898)	Edward Bryan (1814-1869)
William II (1832-1885)	Robert Milford (1834-)	Charles (1841-)

Source: http://genealogy.site50.net/tweedy-cornwall.html (accessed 16 December 2013)

Table 6.13

Tweedy family members as managers

	Falmouth	Redruth	Penryn
Robert		1834 to 1859	
Edward Bryan	1855 to 1862		
Robert Milford	1862 to 1864	1859 to 1862	from 1864
Charles		from 1866	

Source: Boase 1890, col. 1348

However, in a broader sense, there was actually a separation of ownership and control. While both the Tweedy and Williams families were partners with unlimited liability and therefore bore a substantial and ultimate commitment to the success of the bank, the Williams family delegated the management function to the Tweedys for an annual consideration of £1,200, later rising to £2,000 (Armstrong 1937, 25). This had the effect of granting them a degree of autonomy in initiative, decision-making and action; but it also worked in the opposite direction, tending to push the Williams financial position into the background of the Tweedy perception. There, it could be taken for granted – and maybe fatally so by the end of 1878; when it is possible that there was an insufficient awareness of the actual financial position of the late Sir Frederick Williams, given the extent of the unsecured advances that had been made to his estate (section 9.1; Fitzmaurice 1991, 33).

This dichotomy is reinforced by the striking absence of intermarriage between the two families, in complete contrast to the close familial connections between the Bolitho, Robins and Foster families to be discussed below (section 6.4). Their outlooks and faiths were completely different. Compared with the varied religious affiliations[1] and robust materialism of the Williams family, many of the Tweedy family were active Quakers, prominent in the local meetings;[2] and marriage outside the Society of Friends was frowned upon (Fitzmaurice 1991, 14; Davidoff and Hall 1987, 86; and section 3.1). Although there was a steady and secure succession of partners on both sides, it is possible that the two families may only have come together in the management of the bank, not sharing common aspirations or other objectives in life. Away from the familial sphere, the Masonic connections of Frederick Williams and William Tweedy[3] may have reinforced the underlying mutual trust, without necessarily drawing together their everyday aspirations. The division between capital and management would in this way be reinforced by cultural differences.

To illuminate this likely divergence, a parallel case can be cited. The Williams family was also in partnership with the Quaker Foxes in the Perran Foundry for many years. The relations between Michael Williams and Barclay Fox were cordial enough, as Fox records in his Journal on 22 April 1842; but by February 1848 he was writing that `Matters point to a separation … and the time ripens. They act on a different principle from ours, and life is too precious a commodity to consume its oil on unnecessary annoyance' (Fox 2008, 266, 433). The Foxes sold out part of their holding in the foundry to Williams in 1848,[4] and the remainder in 1858.[5]

[1] `Old John' was a staunch Methodist; his sons John Junior and Michael were respectively Quaker and Anglican – the family were `a match for the Devil', according to a colourful anecdote attributed to John Wallis and quoted by Barton (1970, 15).
[2] Anne Tweedy, wife of William, took a leading part (Fox 2008, 124, 141, 155, 172, and 364).
[3] They were both noted at the dedication of the new Masonic Hall in Redruth (*West Briton,* 8 August 1878, 4). The distances between Masons remained; Thomas Chirgwin, also present, presumably had no other connections with either, as he was shortly to act as liquidator of their bank (section 9.1).
[4] CRO (Cornwall Deeds and Leases), X112/67: sale of shares (1848).
[5] http://www.gracesguide.co.uk/Perran Foundry, accessed 23 April 2015

To understand the part played by the Williams family in the Cornish Bank, it is necessary first to briefly summarize their descent, and the nature of their business as a whole, referring to the abstracted family tree in Table 6.14.

Table 6.14

The Williams family

Names in **bold** were partners in the Cornish Bank; names in *italics* joined the later West Cornwall Bank.

`Old John' (1753 -1841)

`John Junior' (1777-1849) | **Michael** (1785-1858) | Edward (1787-1823) | **William** (1791-1870)

John Michael (1813-1880) | *George* | *Michael Henry* | **Frederick Martin** (1829 -1878) | **Michael II**

John Henry (1857-1899) | John Charles (1861-1939) | m. (1884) Maria Christian (1861-1922)

Sources: Barton (1970, 14-15); Tregidga (2009); Fitzmaurice 1991; Jaggard (1999, 162-163).

`Old John', following his father and grandfather, had made his career and fortune in mine management in Gwennap, and was mindful of earlier and humbler circumstances (Barton 1970, 14). In the early nineteenth century, he had been involved in the construction of the Poldice Tramway, sulphur mines in county Wicklow, and manganese at Calstock (buying the manor there in 1806). In 1812 he was supplying the stone for Plymouth Breakwater in conjunction with Robert Fox (Gill 2011, 106). Recognizing the economics of locating the smelting operation close to the fuel supply, `Old John' had begun smelting with others in Swansea in 1822 (John 1950, 28, 30); in 1831, the Williams family acquired the Morfa copper works (later Foster, Williams & Co, a major producer). In 1838, they were in partnership in the Trethelan tin smelting works near Truro with the Harveys of Hayle.

Thus the Williams family had, over the years, acquired extensive mining and smelting interests in Cornwall and South Wales, with smelting the major source of their wealth after 1850. Their involvement in Glamorgan was such that Michael became High Sheriff of that county in 1840. They had also become

substantial landowners in Cornwall, with the principal estates in the family at Scorrier and Caerhayes (Newell 2009a; Gill 2011, 106).

`Old John' and his sons are characterized by Barton as `hard' men, `by the standards of a hard age'; the sons, not tempered by their religious adherences and used to deference from boyhood, lacked their father's sense of humility (Barton 1970, 17). The growth of the family business of John Williams and Sons was a synergic expansion built on a complementary series of partnerships with the Harveys, the Foxes, the Tweedys, and others. The partnership with the Harveys of Hayle and St. Day in particular was of long standing; and reinforced by `Old John's` marriage to Catherine Harvey in 1776. When she died in 1832, it seemed irrational in every social, business and familial way that he should suddenly and secretly marry, at the age of 79, an unknown Miss Edwards aged 25; and it was utterly shocking to an upwardly-mobile family hoping to build social acceptance and respectability on their commercial success. The ensuing debacle placed `John Junior' in charge of John Williams Junior and Brothers; and the unseated father retired with his young wife to his Calstock estate (Barton 1970, 14, 17-18). This episode is related here as it shows the fractious nature of hard-headed family partnerships driven by strong-willed personalities, and the bitter depths of their disputes.

It was repeated a generation later when another headstrong personality, John Michael Williams, was at odds with his cousins; causing another deep rift in the family, and resulting in a legal settlement involving a redistribution of assets. There were also political differences; John Michael remained a strong Liberal, while Frederick changed his active allegiance to the Conservatives (Jaggard 1999, 159-165). John Michael's main commercial interest was the Swansea smelting business, in which he was joined by family associate Richard Bain of Portreath (Fitzmaurice 1991, 14; Barton 1970, 19). John Michael withdrew from the Cornish Bank on 29 December 1862, taking the Redruth branch as part of the settlement; it became the West Cornwall Bank of J.M. Williams & Co, as discussed in section 8.3 below. Robert Milford Tweedy, who had been the manager in Redruth since 1859, moved to the Falmouth branch of the Cornish

Bank (Boase 1890, col. 1331). In the new year of 1863, the Cornish Bank was reinforced by new Tweedy and Williams partners (Table 6.11 above). In 1870, Frederick Williams and Michael Williams II inherited Sir William Williams' share (with Frederick succeeding to the baronetcy); and Michael was now a partner, retiring in 1874 (Fitzmaurice 1991, 14).

Reconciliation of the Williams feud eventually came in the next generation, when John Charles, horticulturalist and son of John Michael, married Frederick's daughter Maria Christian in 1884 (Tregidga 2009) – but, with the management of the family businesses then in the hands of his elder brother Michael Henry, it may be said that vicious commercial passions did not cloud this relationship. The fractious nature of the Williams family contrasts with the evident harmony of the Bolithos (sections 6.4.2, 6.4.5); but the success of the Williams enterprises, driven rather by individual charisma, was no less assured - challenging the corporate perspective of Casson's model of the family firm (section 4.11).

A new branch of the Cornish Bank opened in Redruth on 2 January 1866 (Boase 1890, col. 1342), in competition with the new West Cornwall Bank. A detailed description of the building, and the provenance of the materials used, appeared in the *West Briton*.[1] The Truro office was reconstructed on the site of the former Coinage Hall in Boscawen Street in 1872 (Armstrong 1937, 27), and reflected the prestige of the bank. The Truro Poor Law Union, the Truro Savings Bank, and the Royal Institution of Cornwall, among other public bodies, deposited their funds with `Tweedys' (Fitzmaurice 1991, 30-31). However, a part-time representation at Grampound Road from 1872 did not cover its costs, and was soon discontinued (Boase 1890, col. 1332). The narrative of the Cornish Bank, up to its failure in 1879, is continued in section 9.1.

[1] *West Briton,* 12 January 1866, 8.

6.4 Merchant capital and the Bolitho family across Cornwall

As already mentioned, it was the Bolitho connection which formed the strongest interlocking partnerships in Cornish banking from 1807 onwards. Before discussing their financial and trading enterprises in more detail, they are placed in the more particular context of their close contemporaries in Penzance.

6.4.1 Oxnam, Batten and Carne

The first bank in Penzance was begun in 1795 by John Batten (d. 1810), William Carne (1754-1826), and Richard Oxnam (retired 1810,[1] d. 1844); and was generally known as the Penzance Bank (Boase 1890, col. 1339). Like the Bolithos, the Carnes and Oxnams were merchants and tin smelters (Rowe 1993, 177, 203); but, although engaged in maritime trade, they lacked their extensive and more influential trading connections. The Oxnam family were also shipowners; in the American conflict, they had shouldered the risk of putting several privateers to sea (Davies 1998).

Unlike the Bolithos at this time, as the 1799 *Copper Report* shows, they had considerable shareholdings in various mines (see Table 6.15 below); like them, they avoided involvement in the Cornish Tin Company in 1772 (Rowe 1993, 60). Although acting individually, Batten, Carne and Oxnam seemed to have had a joint investment strategy as adventurers in the same mines. Their holdings (as individuals) were in Herland (shares amounting to $^{13}/_{112}{}^{ths}$); West Wheal Jewell ($^{2}/_{15}{}^{ths}$); Penberthy Crofts ($^{11}/_{64}{}^{ths}$) and Trescow ($^{1}/_{12}{}^{th}$; on this information operational from 1794). John Batten's only holding was a sixteenth in Penberthy Crofts, which does not seem to have been operational before 1798, when it started at a loss. Oxnam is identified as having a merchant interest in Herland and Trescow.[2] Of all their holdings, only Herland earned them any part of the small profit shown for 1796, one of the best years for Cornish mines in this decade.

[1] He became bankrupt in 1817 (*West Briton,* 20 December 1817, 1).
[2] 1799 *Copper Report,* Appendix 27

If they were investing for income, they could have gone elsewhere; but it seems that they were interested for other reasons in the mines in which they made their commitment. The projected total loss for the partners in 1792-1794 was £1413; although they might have lost only £5 in 1794, the year before the bank was started. Whatever the wealth of the partners, it was dependent on their trade as merchants and smelters, rather than property and income; risk was intrinsic and acceptable in their enterprises.

Table 6.15

Batten, Carne and Oxnam, Penzance: projected returns from mining investments, 1792-1798

Compiled on the same basis as Table 6.6; shareholdings as indicated in the text.

Annual profits and losses (round pounds)

Year	1792	1793	1794	1795	1796	1797	**1798**
Herland	(-£6,472)	(-£5,272)	(-£46)	(-£3,770)	£2,906	(-£2,210)	(-£1,478)
West Wheal Jewell	(-£10)	(-£15)	[no rtn]	(-£23)	(-£71)	[no rtn]	(-£137)
Penberthy Crofts	-	-	-	-	-	-	(-£2,317)
Trescow	-	-	-	-	(-£785)	(-£34)	(-£457)
TOTALS for above	(-£6,482)	(-£5,267)	[(-£46)]	(-£3,793)	£2,050	[(-£2,244)]	(-£2,072)
John Batten	nil	nil	nil	nil	nil	nil	(-£145)
William Carne	(-£473)	(-£391)	(-£3)	(-£292)	£104	(-£159)	(-£370)
Richard Oxnam	(-£299)	(-£250)	(-£2)	(-£191)	£26	(-£100)	(-£366)
TOTAL RETURNS	(-£772)	(-£641)	[(-£5)]	(-£483)	£130	[(-£259)]	(-£881)

As there were no returns for West Wheal Jewell for 1794 and 1797, the totals enclosed in [square brackets] are not fully conclusive.

Source: Extrapolated from data from PP 1799 *Copper Report*, Appendices 18-31.

William Carne's son Joseph (1782-1858) became a partner in the bank in 1823. Deeply committed as manager of the Cornish Copper Company at Hayle, he continued his involvements there (Crook 2004a, MacKenzie 2007, 54). The bank partnership later became a steady succession in the Carne family, while also offering dependable careers to its long-serving employees. Philip Marrack of Newlyn, the long-serving manager who had been an employee of the Penzance Bank at least since 1810, became a partner in 1844; and died or retired in 1855 or 1856. Nicholas Berriman Downing, a clerk in 1848, was

manager in 1861, a partner in 1872, and retired in 1874. John Carne Barwis, manager at St. Just in 1868, moved to Plymouth in 1882 (Boase 1890, cols. 1339, 1340, 1345).

Of Joseph Carne's children, his unmarried daughter Elizabeth Catherine Thomas Carne (1817-1873) was the only one able, willing and capable to take on the management of the Penzance Bank; and on her father's death in 1858 succeeded to his senior partnership, inheriting £22,000 at the age of 41. She was well-respected in Penzance and further afield for her involvement in public and charitable works; and like her father was a pioneering geologist. Her wealth had increased to £35,000 at her untimely death from typhoid in 1873; and the management of the bank passed to her nephew Charles Campbell Ross (Crook 2004b; Dawes and Selwyn 2010, 52-54). The extent of her involvement in geological work, and long spells abroad (Crook 2004b), suggest that Miss Carne delegated much of the banking work; as her father may also have done. Thomas Hacker Bodilly (died 1873), a Penzance merchant and staunch Methodist[1] like the Carnes, had became a partner in 1859 (Boase 1890, col. 1339); and may have taken on some of the executive responsibility alongside Downing the manager. The career progressions of Downing and Marrack perhaps show the reliance of the partners on their staff, with consequent increase in status and trust. The bank was expanding during the 1860s; its first branch had opened in St Just in 1864 (Boase 1890, col. 1339); and in early 1866, the bank moved into new premises in Market Street, Penzance.[2]

Charles Campbell Ross, grandson of Joseph Carne, had become a partner in 1872; before taking up Elizabeth Carne's share in 1873. Thomas Hacker Bodilly II succeeded his father in the same year (Boase 1890. cols. 1339-1340). Ross was also on the management committee at the Botallack mine from 1875 to 1877 (Brooke, Justin, 1988, 153).

[1] Obituary, *Royal Cornwall Gazette,* 6 July 1873.
[2] Fully described in the *West Briton* (2 February 1866, 5).

It was under the management of Ross that the bank was converted into a limited-liability joint stock company in 1890, and the authorized note issue (£11,405 since 10 October 1844) duly expired (Matthews and Tuke 1926, 271-272). The latter end of Batten, Carne & Carne's Bank is related in section 9.3.2.

6.4.2 The Penzance Union Bank

Much more a counterpart of Batten, Oxnam and Carne's Penzance Bank than that of the Bolitho partnership, Dennis, Sons & Co. entered the banking business in 1810. The partners were John Dennis I, an architect, builder, wool stapler and serge manufacturer of Alverton (died 1822); John Dennis II; and William Dennis. In 1819, they changed the name of their bank to the Penzance Union Bank, with Trevenen James as manager; and commenced drawing on Dennis Brothers & Co., merchants and tin agents in London (Boase 1890, col. 1340). Although based at 34 Lombard Street in the heart of the City, they were not known as bankers; they are not mentioned by Hilton Price (1891). Shortly before his death in 1823, William Dennis sold the business of the Penzance Union Bank to Henry Boase, Sons & Co., of Chapel Street, Penzance.

The new partners were Henry Boase of Alverton (died 1827), with his sons Henry Samuel Boase and John Josias Arthur Boase. Like the Carnes, they were active in the intellectual and scientifically-oriented cultural life of Penzance. Being more theoretically inclined, Henry Boase had ventured a published contribution to the monetary controversies of the time, taking an anti-bullionist stance (Nachane and Haketar 1996). The bank's manager Trevenen James also became a partner with them, retiring in 1831. In the following year, they were joined by George Grenfell of Penalverne, and his son Pascoe Grenfell; the firm becoming Boase, Grenfell, Boase & Co. (Boase 1890, col. 1340). This was a different branch of the Grenfell family to that which later became pre-eminent in London and global banking into the twenty-first century; the founder of which dynasty was Pascoe Grenfell (1761-1838) from Marazion (Cassis 1994, 225), a South Wales copper smelter with Anglesey connections

who had never been a banker in Cornwall; although with his partners he issued notes at their Swansea works, and joined in the North Wales and Chester Bank (John 1950, 30; Pressnell 1956, 28; Outing 2010, 92, 407). The partnership of the Penzance Union Bank was dissolved by mutual consent on 19 August 1836, and the business taken over by the Western District Banking Company from 1 October of that year (section 7.2.1).

6.4.3 The Bolitho family and the Mounts Bay Bank

In both of the Penzance banks just discussed, banking does not appear to have been the real vocation of the partners. Although they made successful and remunerative livings by it, and gained prestige in so doing, there is a strong sense in the biographical record that their hearts and minds lay elsewhere in their other activities. The Bolitho family, with a similar commercial heritage, pursued business in a far more vigorous and committed manner. When Thomas Bedford Bolitho stood for Parliament in the summer of 1887 as the Liberal Unionist candidate for St. Ives, the *West Briton* ran a feature article in its issue for 7 July, mentioning the family's social and commercial prominence in West Cornwall, and the extent of their involvements in `banking, shipping, mining, smelting, tanning and fishing'. The writer of the article expressed surprise that the family had not previously shown any political aspirations. Gill characterizes them as `patriarchs' of the smelting industry; regarded as `merchant princes', they were also `ship-owners, importers and dealers in hemp, cordage and tallow', with `a finger in every money-making pie in Cornwall' (Gill 2011, 11). After bringing about the mergers which created the Consolidated Bank in 1890, they became the dominant force in Cornish banking.

In contrast to the many short-lived banking ventures proliferating in Cornwall by 1810 (section 6.1), the Mounts Bay Commercial Bank of Bolitho & Co. was the most prominent example of a banking business growing out of the transactional needs of other trades, and was a natural and sustainable development of the existing operations of the Bolitho family. Trading as T. Bolitho & Sons, they

were wide-ranging merchants with dealings on a considerable scale in London and Liverpool. The bank was begun in 1807 by Thomas and William Bolitho, alongside their long-established tin smelting works at Chyandour in Madron near Penzance. The provision of credit by smelters was traditional in Cornwall by 1770: the tin industry had become dominated by the larger smelting houses; `their bills of credit, based on tin, had been used almost as circulating currency in the West, for even longer had they been advancing credit to mining adventurers; in fact they had built up a system of banking based on the tin industry' (Rowe 1993, 59). Matthews and Tuke (1926, 250-251) relate how the system of credit advanced to tinners through the use of `tin cheques' became the basis of more general banking activities.

The Bolithos' banking business developed out of this longstanding structuring of the mining industry. They had not been much involved as mining adventurers; although Thomas Bolitho's one-sixteenth share in Penberthy Crofts lost him £145 in 1798,[1] alongside the losses sustained by Batten, Carne and Oxnam (section 6.4.1). In 1834, the bank was moved into Penzance (Boase 1890, col. 1340), where they would be accessible to a more general clientele; and the name was changed to Mounts Bay Bank in 1835, the year the first branch was opened in St. Ives. The Bolitho descent is clarified in Table 6.16, followed by a summary of the partnership succession. The partnership was exclusive to the Bolitho family proper until 1849, when John Sargent Bedford (son-in-law of the first William Bolitho) became the managing partner until his death in 1856.[2] In Liskeard, he had managed the East Cornwall Bank from 1826 until his move to Penzance in 1834 (Boase 1890, col. 1335), having married Catherine Johns Bolitho in 1828. There was thus some career progression across the banks based on ability and marital connections. The increasing size of the partnership can be taken as a measure of the growth and success of the bank, enlarging the capital base.

[1] 1799 *Copper Report,* Appendices 24 and 27
[2] Obituary, *Royal Cornwall Gazette,* 3 July 1856

In 1847, they acquired the former Penzance Union Bank from Ricketts, Enthoven & Co. (section 7.2.1; Matthews and Tuke 1926, 252). Further branches of the Mounts Bay Bank were not opened until 1863, at Hayle Foundry and St. Just.

Table 6.16

The Bolitho family in the Mounts Bay Bank

Showing the descent of the bank partners, and the marriages with the Foster and Robins families; partners in the East Cornwall Bank are shown in **bold**.
Other family members are not shown.

Thomas Bolitho (1740-1807)

Thomas Bolitho (1765-1858)

Edward Bolitho (1804-1890) | Thomas Bedford Bolitho (c)

Thomas Simon Bolitho (1808-1887) = Elizabeth Robins, 1838 (1811-1892)

Elizabeth Robins Bolitho (1839-1910) = Richard Foster III, 1860

Thomas Robins Bolitho (1840-1925)

Edward Alverne Bolitho (1842-1908) | Edward Hoblyn Warren Bolitho (b. 1882) *Barclays Bank*

William Bolitho II (b. 1815)

Elizabeth Bolitho (1767-1853) = John Borlase, 1791 (1764-1843) | George Simon Borlase (a)

William Bolitho I (1773-1856) = Philippa Foster, 1798 (d. 1845)

Richard Foster Bolitho I (1799-1882)

William Bolitho III (1830-1914) | William Edward Thomas Bolitho (1862-1919)

Richard Foster Bolitho II (1840-1932)

Catherine Johns Bolitho (1806-1855) (b)

(a) 1792-1837; Helston Union Bank
(b) Married John Sargent Bedford (1803-1856) in 1828
(c) 1835-1915; married Frances Jane Carus-Wilson in 1893

PARTNERSHIP ACCESSIONS

1807: **Thomas Bolitho**; **William Bolitho I**
1838: **Richard Foster Bolitho I**; Edward Bolitho; **Thomas Simon Bolitho**
1849: William Bolitho II; John Sargent Bedford (managing partner)
1880: **William Bolitho III**; **Richard Foster Bolitho II**; Thomas Bedford Bolitho; **Thomas Robins Bolitho**
William Bolitho III retired before the amalgamation in 1889 (section 9.5).
For George Simon Borlase, see section 8.6.1; for W.E.T and E.H.W. Bolitho, section 9.6.1.

Sources: http://www.clanbarker.com (accessed 1 February 2013); http://www.thepeerage.com (14 February 2013 and 30 April 2014); Boase 1890, col. 1334; Matthews and Tuke 1926, 254-255.

Richard `Banker' Boyns (1831-1891) was appointed as manager at St. Just in 1872. This was solely on the strength of his standing in the local community; he was not a banker as such, but heavily involved in mine management and finance as well as other trading activities. This appointment suggests that the St. Just operation was more an agency than a branch. Getting into deep personal financial difficulties, Boyns `disappeared' in September 1883 (eventually reappearing as minister of the Methodist Episcopalian Church in Oakland, California), and his assets were liquidated in January 1884 (Brooke, Justin, 1988, 149-152; Boase 1890, col. 1345).

In Helston, Bolithos became the successors to the failed Helston Banking Company after 1876: John Garland Shackerley, who had managed St. Ives until 1872, was the manager. They similarly absorbed most of the Helston Union Bank's business in 1879; its former manager, Edward Pownoll Kendall, became joint manager with Shackerley, and sole manager in 1885 (section 8.6.3). There had been a past family connection with the Borlases in Helston, shown in Table 6.16. Outside Penzance, there were thus four branches by the time of the merger with the East Cornwall Bank in 1889 – St. Ives, St. Just, Hayle and Helston.

William Bolitho II was the firm's representative in London; otherwise the London agent was Ransom & Co. (Matthews and Tuke 1926, 251). While the note issue permitted by the 1844 Act (see section 7.3.1) was £17,003, subsequently East Cornwall Bank notes were used (Boase 1890, col. 1340); their allowed circulation was much more extensive (section 6.4.5).

6.4.4 The Coode family and the St. Austell Bank

Before the commencement of the East Cornwall Bank in 1807, the Coode family, a principal constituent of its partnership through the generations, had been offering banking services in St. Austell since 1793, as an adjunct to their legal practice in conjunction with Charles Rashleigh (Rashleigh, Coode &

Kempthorne). Until the 1820s, when the Coode family were in sole control, they were not actually thought of as bankers.[1]

Table 6.17

Coode and Shilson families

Partners in the East Cornwall Bank are shown in *italics*.

Edward Coode I (1766-1845) = Dorothy Robins (1765-1848)

Edward Coode II (1792-1865) — *Thomas Coode* (1797-1875)

John Coode (1832-1889) — William Coode (1835-1898) — *Arthur Coode* (1843-1910)

Source: http://hstfam.familysearch.org, accessed 10 April 2013.

William Shilson (d. 1875)

William Dinham Shilson (d. 1876) — Daniel Henry Shilson

PARTNERSHIP ACCESSIONS after 1826

1826: Coode & Sons: *Edward Coode I*, Edward Coode II, *Thomas Coode*
1840: Coode, Sons & Shilson: William Shilson (originally from Launceston)
1857: Retirement of *Thomas Coode*
1859: Coode, Shilson & Co: John Coode, William Dinham Shilson
1862: William Coode, Daniel Henry Shilson
1865: Shilson, Coode & Co; William Frederick Congdon became manager in 1873
1875: Coode, Shilson & Co

Source: Boase 1890, col. 1343.

Table 6.17 shows the development of the partnership after 1826, joining with the Shilson family from 1840. Edward Coode I was a founding partner in the East Cornwall Bank, succeeded there after his death in 1845 by his son Thomas. Retiring from the St. Austell Bank in 1857, he presumably continued at the East Cornwall, where his son Arthur Coode succeeded in 1875 (Boase 1890, col. 1343).

[1] Notes from the Royal Bank of Scotland Heritage Hub entry at http://heritagearchives.rbs.com/companies/list/shilson-coode-and-co.html, accessed 3 January 2014.

The interlocking of the two partnerships thus extended only from 1807 to 1857.Thereafter, the involvement in the two banks devolved into different branches of the family. Arthur made his career solely with the East Cornwall and its successors, becoming a local director of Barclays after the 1905 merger (Matthews and Tuke 1926, 254).

Coodes and Shilsons also continued in partnership as practising solicitors. As was customary, the changing style and title of the business, variously Coode & Shilson or Shilson & Coode, reflected the relative degree of financial involvement of the two families in both bank and legal practice. The liquidation of the partnership at each succession of partners was no more than a formality in the *London Gazette,* as in 1876 following the retirement of William Dinham Shilson.[1] The St. Austell Bank was regarded as a safe sort of business, placing funds in steady long-term investments for a restricted clientele rather than making loans (Fitzmaurice 1991, 25). This enabled them to maintain a secure independence through offering a complementary service in a niche financial market. It was moved into purpose-built premises in 1898, and was worth about £211,000 on amalgamation in 1920. The partners at that time were D.H. Shilson, W.M. Coode, P.M. Coode and A.P. Coode.[2]

6.4.5 The East Cornwall Bank

The East Cornwall Bank was intimately connected with the Mounts Bay Bank from the outset; the Bolitho family were partners in both. The bank first opened for business in Liskeard on 10 August 1807. The partners based in east Cornwall were Thomas Robins (solicitor, Liskeard, and government stamp distributor for Cornwall; the senior partner), Richard Foster I (merchant and tanner, Lostwithiel and Bermondsey),[3] and Edward Coode (solicitor and partner in the St. Austell Bank, and County Treasurer).

[1] *London Gazette*, 18 July 1876.
[2] Notes from the Royal Bank of Scotland Heritage Hub entry (accessed 3 January 2014) at http://heritagearchives.rbs.com/companies/list/shilson-coode-and-co.html.
[3] Also a partner with Joseph Norway and Richard Wright in the Bodmin Brewery until 1823; dissolution document, CRO (Foster): FR/118 (30 July 1823).

Table 6.18

Family connections, East Cornwall Bank partners

Names in *italics* were also partners in the St. Austell Bank; names in **bold**, in the Mounts Bay Bank. The Coode family descent is shown in Table 6.7; and that of the Bolithos in Table 6.6.

Thomas Robins senior

Thomas Robins (1769-1844) — Dorothy Robins (1765-1848) = *Edward Coode I*

Elizabeth Robins (1811-1892) = **Thomas Simon Bolitho** (1838)

Caroline Robins (1814-1875) = Richard Foster II

Richard Foster senior (d.1798)

Richard Foster I (1767-1828) — William Foster (1774-1849) — Thomas Foster (after 1782-1868)

Richard Foster II (d.1869)

Richard Foster III (b.1836) = Elizabeth Robins Bolitho, 1860 — Henry Durrett Foster (Bodmin manager from 1885) — Lewis Charles Foster

Sources: http://www.clanbarker.com; http://www.thepeerage.com (both accessed 11 March 2014); CRO (Foster), FR/96: R. Foster senior's will (1798); CRO (Lostwithiel) BLOS/450: a lease for three lives (1782).

PARTNERSHIP ACCESSIONS

1807: Thomas Robins, Richard Foster, *Edward Coode*, **Thomas and William Bolitho**
1808: William Westlake (managing partner, retired 1826)
1828: William Foster, Thomas Foster
1844: **Thomas Simon Bolitho**, Richard Foster II - he succeeded to the largest share of the business on the death of his father in 1849.
1845: *Thomas Coode*
1856: **Richard Foster Bolitho I**
1858: Richard Foster III
1869: Lewis Charles Foster. Richard Foster III succeeded to a larger share on the death of his father
1875: Arthur Coode
1882: **William Bolitho III** and **Richard Foster Bolitho II**
1884: Thomas Simon Bolitho retired; succeeded by his son **Thomas Robins Bolitho**.

Source: Boase 1890, cols. 1335-1336.

They were joined by Thomas and William Bolitho, partners in the Mounts Bay Commercial Bank (section 6.4.3; Boase 1890, cols. 1335-1336). While the

partners in the Miners' Bank came and went (section 6.2), this was altogether a strong combination of well-established legal, financial and commercial interests, which continued through the generations. London representation at first was through William Foster, who managed his brother's Bermondsey business. Stability and confidence in both the Mounts Bay and East Cornwall Banks were sustained through the decades by an assured continuity of ownership; as it was also for the St. Austell Bank.

There was considerable intermarriage between the Bolitho, Robins and Foster families, as shown in Table 6.18; creating a powerful dynastic partnership and securing the succession of partners and the continuance of the bank's liquidity and profitability. The objectives of the bank were aligned with familial objectives, and linked prosperity and expanding opportunities with enhanced social prestige and the integrity of personal reputations. The performance of the bank would be measured by the community in these visible social terms, rather than by its unpublished and unknowable economic performance.

Thomas Robins had daughters, but no sons, to succeed him in the business; and would have been concerned to make strategic marriages for them within the partnership. The strength of the Bolitho association, and the delegatory trust it engendered, overcame the difficulties of distance between Penzance and Liskeard before the coming of the railway across the Tamar; allowing unified direction yet independent operation, and sustained by a professional approach to management. William Westlake joined in 1808 as managing partner; followed after his retirement in 1826 by John Sargent Bedford, who does not appear to have been a partner in the East Cornwall Bank; although he became one in the Mounts Bay Bank when he moved to Penzance in 1834 (section 6.4.3). Likewise his managerial successors Edwin Ley and Augustus Bazeley (from 1838) were not partners (Boase 1890, col. 1335).

A strong management also facilitated the strategic development of the branch and agency network. According to Matthews and Tuke, it followed the bank's extensive note circulation, with agencies `generally given to solicitors of high

standing' (Matthews and Tuke 1926, 258). The first agency was quickly opened in Richard Foster's office in Lostwithiel in 1807; followed by a branch in Bodmin. The Callington agency was started in 1830. A branch in Launceston followed in 1831, and another in St. Austell in 1834. The Stratton agency was begun in 1849; but the East Cornwall Bank did not become very active in north Cornwall until 1864, when the Padstow and Camelford agencies, and a branch in Wadebridge, were opened. Perhaps in response to the establishment of the Liskeard District Bank, there was further expansion in 1865 with another agency, in Looe. In 1869 it expanded into Devon, with an agency in Holsworthy (Boase 1890, col. 1335).

The bank was strong enough in its early years to be independent of the fortunes of its London agents, the first of whom, Were, Bruce, Simpson & Taylor, stopped payment in July 1816. Thereafter they used Williams, Son, Moffat, Burgess & Lane, which became Williams, Deacon & Co. after 1842 (Hilton Price 1891, 25, 177; Matthews and Tuke 1926, 259). Another measure of the bank's strength was its note issue on 10 October 1844 of £112,280, one of the largest authorized by the Act of that year, and also used by the Mounts Bay Bank (section 6.4.3). For many years, the notes were preferred locally to those of the Bank of England; but were eventually given up on 1 April 1887 (Matthews and Tuke 1926, 257).

In the deepening financial crisis of the autumn of 1878 and January 1879, the East Cornwall Bank made its contingency plans with `foresight and shrewdness' (Hicks 1952, 472). An audit of its ready assets on 13 December 1878 showed £32,235 in Bank of England notes, gold and silver at its branches, £4,500 on deposit at the Bank of England in Plymouth, and £92,360 on call in London: £129,095 altogether. This covered the liability of the authorized note issue, but not the total liabilities to depositors; the bank's credit was high in London if an emergency loan had to be raised. In the event, the crisis was not felt very strongly in East Cornwall (Hicks 1952, 472-477). The larger course of events is discussed more fully below (section 9.1).

The familial strength of the partnerships in Penzance and Liskeard were matched by their professional expertise and growing corporate power. In the fast-changing circumstances of the time which encouraged amalgamation, the consolidation of the East Cornwall and Mounts Bay Banks in 1889 to form Bolitho, Foster, Coode & Co. Ltd was a logical development (section 9.5).

6.5 Reluctant bankers? The Foxes of Falmouth

In this section, the Foxes of Falmouth are discussed in some detail as a leading Cornish commercial family which did *not* become heavily involved in banking, eschewing the deep commitment that becoming a banker with unlimited liability entailed.

By 1800, the Fox family of Falmouth, Penryn and Perranarworthal had already been established in the area for two generations (Gill 2011, 36). As well as being prominent in the commerce of Falmouth, they also had many interests in mining and its associated industries in Cornwall and South Wales. In Cornwall they were partners with the Williams family in the Perran Foundry and the tin smelting concern of Sawle, Fox & Co; while in South Wales they joined with the Price family in the Neath Abbey Coal & Iron Co. (Fox 2008, 185-191). With the Basset family, they were promoting the revival of copper mining at Dolcoath in 1799; while also leasing Portreath harbour as a developing trading port from Lord de Dunstanville. The network of business interests in the Fox, Basset and Williams families created a high degree of vertical integration in the various stages of copper production; from the mining itself to transport to the coast, shipping, and smelting in South Wales. There, the Fox involvement in iron founding brought finished ferrous products back to Cornwall in the form of tramplates and other components for the Poldice tramroad, begun at Portreath in 1809. George Croker Fox was a principal in this venture, alongside Francis Basset and Michael Williams (Barton 1970, 129, 132-134). Further examples from documents in the Cornwall Record Office, which also show something of

the intricate networked involvements within the Cornish business community, are cited in table 6.19.

Diversity was the key to their commercial success; and their management of risk under unlimited liability. Their multifarious activities, each separate and autonomous, were understood by the family as parts of a coherent whole. Family members entered into partnerships among themselves and with outsiders, either as individuals or in small groups, spreading the investment and containing the risk. Some ventures were undertaken by single individuals, others by two, three or more family members. As was often the case, some partnership agreements, such as that of Fox, Sawle & Co, were for fixed contractual periods subject to renewal; as was the Agreement Quinquepartite for the Miners' Bank in 1771 (section 6.2.2). As merchants in the port of Falmouth, their international outlook and trading connections led to many social encounters across continents and cultures. They also acted as American consuls in Falmouth from the time of Washington onwards (Gay 1903, 156-157). They were also notable in academic circles, being instrumental in the founding of the Royal Cornwall Polytechnic Society in Falmouth (For examples of their involvement, see Fox 2008, 59, 96-97, 100, 175-176).

But first and foremost, they were practising Quakers, rejecting many of the worldly conventions of their day in favour of their own moral and spiritual ethical system. A large family, they were through marriage and familiar acquaintance a well-connected part of the wider Quaker `cousinhood' of the Society of Friends that constituted an intimate social network of family, friends and associates across England, Wales and Cornwall (Davidoff and Hall 1987, 86-89; Dawes and Selwyn 2010, 47-51). This connection, maintained through local monthly meetings, regional quarterly meetings, and the London yearly meeting, turned families in the north of England into near acquaintances. Barclay Fox married Jane Backhouse, from the Darlington banking family; they were connected with London banking interests through the Were family; and with a Bevan connection they had a further link with the vast familial financial grouping that was

eventually consolidated as Barclay and Company in 1896 (Fox 2008, *passim*; Ackrill and Hannah 2001, 18-23).

Table 6.19

Examples of Fox family partnerships

1795: Sawle, Fox & Co; renewal of copartnership for a further 14 years in an ongoing tin smelting business [CRO (Rodd), RD/1149 (5 May 1795)]: Mary Sawle, Francis Rodd, Rev. Henry Hawkins Tremayne, Dr. John Gould, George Croker Fox, George Fox, Edward Fox (Wadebridge), Francis Polkinghorne, Charles Rashleigh, Henry Lakes. Capital £52,347 (section 5.3). Rodd and Gould were also partners in the Miners' Bank (section 6.2.5); Rashleigh was a partner with Coode and Kempthorne as bankers and attorneys in St. Austell (section 6.4.4).

1799: purchase of $^{1}/_{32}{}^{nd}$ share in Wheal Druid: George Croker Fox, Robert Were Fox, Thomas Were Fox [CRO (Thrall, Llewellyn & Pearce), TLP/713 (26 February 1799)].

1802: 21-year lease on Dolcoath mine: George Croker Fox, Robert Were Fox, George Fox [CRO (Thrall, Llewellyn & Pearce), TLP/692 (14 August 1802)].

1807: 21-year lease on Wheal Anne: Robert Were Fox, William Carne (banker, Penzance – see section 6.4.1), Silvanus James [CRO (Sitwell, Harvey & Money), SHM/1353 (1807)].

1814: purchase of $^{1}/_{64}{}^{th}$ share in the Weeth Copper Works: George Fox on behalf of Foxes of Falmouth & Co [CRO (Thrall, Llewellyn & Pearce), TLP/711 (20 December 1814)].

1820: 21-year lease on Wheal Briggan: George Croker Fox and Robert Were Fox [CRO (Ratcliffe & Henderson), RH/1/708/1 (17 June 1820)].

1829: Shipping: purchase of $^{40}/_{64}{}^{th}$ share in the *Alchymist* of Bideford: Charles Fox, George Croker Fox, and William Williams [CRO (Thrall, Llewellyn & Pearce), TLP/730, (25 February 1829)].

1848: Partial exit from a partnership: sale of $^{5}/_{11}{}^{ths}$ share in Foxes & Co, Perranarworthal: George Croker Fox, Alfred Fox, and Robert Barclay Fox; to their partners John Williams**,** Michael Williams**,** William Williams**,** and John Michael Williams [CRO (Cornwall deeds and leases), X112/67 (1848)].

1854: West of England Bone & Manure Co: Alfred Lloyd Fox, Thomas Whitford (banker, St. Columb – section 8.5), and John Reed Rowe [CRO (Penryn), BPENR/68: lease and assignment of property in Penryn (12 December 1854)].

Source: Cornwall Record Office, as cited

Thus they had many social reasons for entering into banking on their own account; they were well-connected financially and commanded high respect in Cornwall and further afield. Yet their actual involvement, though tangible, was not extensive or long-lived. Boase lists them as active between 1808 and 1810

(Boase 1890, col. 1331). Catherine Fox (1751–1829) and her daughter Catherine Payton Fox (1789-1823) are described by Dawes and Selwyn (2010, 49) as partners in a bank at Perran Wharf, Perranarworthal; and cite Catherine Payton Fox as the applicant for an annual note-issuing licence in 1813; which would extend the operation until at least 1814. Some other branches of the family were also involved in banking; as in Wellington, Somerset, where they were partners in the woollen and financial enterprise which became Fox, Fowler & Co later in the century (section 9.6; Sayers, R.S. 1957, 267-268; Dawes and Selwyn 2010, 47-51). Catherine Payton Fox appears as a partner with other members of the family in the Neath Abbey Coal Company in South Wales, where the resident Price family were the overseers and the management was delegated.[1] Whether she was actively involved in the management of the bank with her mother, as Dawes and Selwyn aver, is not proven in the present research.

As mining adventurers, their involvement is shown in Table 6.20. They are specifically listed as `merchants' in the 1799 *Copper Report*;[2] that is, involved in supplying the mines in which they were shareholders. This was an activity that was being closely scrutinized by the inquiry. Investing traders like the Fox family would make their profits from supplying materials to their mines; which would need to be equipped, sometimes in emergency situations, regardless of output and profitability; work had to continue in the search for paying ground, and the pumps had to be kept in operation. Merchants as adventurers were prepared to sink money in their mines as long as their orders for materials were profitable (Lewis 2006, 171-172). Of the mines in which the Fox family were involved, Herland was not supplied by them, but by the non-investing Hayle Company; while other mines, in which they had no stake, did not buy from their own investors as a matter of policy – these included Cook's Kitchen, Tincroft, and Stray Park.[3]

[1] Swansea Record Office (Neath Abbey Coal Company), NAS NACC 3/1: lease (31 March 1818).
[2] 1799 *Copper Report,* Appendices 18-31.
[3] *Ibid*, Minutes of Evidence, 21.

Thus, although there was a portfolio of shareholdings across Cornwall, including profitable mines in Gwennap and St. Day, the individual mines could have been chosen for their sales potential as customers rather than their profitability, and it was possible to sustain a large overall loss over seven years (remembering that this assumes that the holdings in each mine remained constant over that period – section 6.2 and Table 6.6) if it was offset by a greater profit from sales to the mines.

Table 6.20

Fox family: projected returns from mining investments, 1792-1798

Constructed on the same basis as Table 6.6 from PP 1799 *Copper Report,* appendices 18-31

Annual profits and losses	Totals for each year						
	1792	1793	1794	1795	1796	1797	**1798**
Total for mines in Report	£49,106.98	£9,746.43	£25,893.58	£26,461.92	£44,369.64	£32,697.07	£23,513.30
Edward Fox	£19.66	(-£177.59)	(-£250.11)	(-£89.48)	£117.27	£29.88	£5.18
G.C., G.R. & T. Fox	£317.24	(-£1,225.17)	(-£620.06)	(-£427.05)	£459.99	£113.31	£312.66
George Fox	(-£136.28)	(-£79.31)	(-£85.97)	£201.96	£257.77	(-£11.85)	£26.57
G.C. Fox & Sons	(-£484.05)	(-£2,257.93)	(-£2,216.67)	(-£566.03)	£1,605.56	£58.73	(-£24.10)
FAMILY TOTALS	(-£283.43)	(-£3,740.00)	(-£3,172.81)	(-£880.59)	£2,440.59	£190.08	£320.31

Total family holdings in each mine	% of mine	Total returns over 7 years
Consolidated (Gwennap)	8.59%	£613.13
Gorland (St. Day)	4.88%	(-£223.73)
Herland (Gwinear)	12.50%	(-£2,040.42)
Hope (Perranzabuloe)	14.06%	(-£227.19)
Jewell (St. Day)	9.38%	£2,336.65
North Downs (Scorrier)	45.61%	(-£4,487.44)
Tresavean (Gwennap)	20.31%	(-£1,096.83)
	TOTAL (loss)	(-£5,125.84)

If this trading position continued into the new century, it would have left them in a weak position to sustain the liabilities of a banking venture. Certainly the involvement in mining continued to be active, as Table 6.20 shows. It was a different situation to that in the early Miners' Bank, where the partners had strong investments in paying mines, and were landowners more than they were merchants (section 6.2.2). As in other cases, the bank may have been started

simply to raise some cash for the partners; and it would have seemed a natural extension of their general trading activities. The Foxes were general merchants of long experience; they understood the risks of, for instance, speculatively importing hazel nuts from Barcelona.[1]

The Fox family have been discussed in association with the Williams and Basset families as merchants and entrepreneurs in a whole range of industrial enterprises in Cornwall and South Wales, and alongside them were heavily committed to the mining industry. Naturally attracted to banking, the liability, with its peremptory demands on sustained liquidity, appeared to be too great an addition to their portfolio of risk; and the commitment required too deep for its long-term continuance. Their reputation was such that their notes were sought after (Dawes and Selwyn 2010, 49); the demand may have exceeded their willingness or ability to accept the greater risk in enlarging the issue. They did not attain the established position in banking that Joseph Banfield & Co. had achieved, having been bankers and shipping agents in Falmouth before 1783 (Boase 1890, col. 1331).

Like the Fox family, Joseph Banfield (1737-1823) was a prominent general merchant and entrepreneur, in 1802 joining with them in obtaining a lease of a mining sett for prospecting.[2] Apart from a similar venture with Andrew Vivian in 1805,[3] he does not otherwise appear to have had any significant stake in Cornish mining; but would have been very occupied in balancing the risks of ship broking with those of banking, a combination which Rae would have avoided (Rae 1890, 105-109). As a specialist in maritime trade, Banfield would have had a more particular awareness of its financial needs, and would have been in a more advantageous position to service its requirements. Gay characterizes Banfield as `a man of generous disposition', and well-respected in Falmouth; he served as mayor in 1788 (Gay 1903, 163, 240). The bank closed after his death in 1823 at the age of 86.

[1] As they advertised for sale in the *Sherborne Mercury*, 11 February 1771: `fine bright Hazle Nuts from Barcelona, which will be sold on reasonable terms'.
[2] CRO (Thrall, Llewellyn & Pearce), TLP/691 and 693
[3] CRO (Ratcliffe & Henderson), RH/1/486/1

It had been styled `Falmouth Bank' on its notes in 1820; the title and assets passed to Carne & Co. (Hicks 1950-1951, 184). Active as bankers since 1781, they suspended payment in 1825; but paid their creditors in full,[1] thereby preserving their reputations. This enabled a new partnership trading as the Falmouth Bank to be started in 1827 by William Lake, John Carne (1761-1839), William Carne, and Edward Clifton Carne (Boase 1890, col. 1331; Armstrong 1937, 11; Gay 1903, 218-219).

They were prominent in the public life of Falmouth, with no visible commercial or family connection with the Carnes of Penzance. William Carne was mayor in 1819-1820, 1821-1822, and 1830-1832; Edward Clifton Carne in 1823-1825; and William Lake from 1833-1836 (Gay 1903, 240). The bank was sold to the Western District Banking Company in 1836 following the death of William Lake (section 7.2.1).

6.6 Two brief studies in failure: the North Cornwall and Mevagissey Banks

6.6.1 Radical politics and banking: the North Cornwall Bank, 1811-1823

Alongside the banks established by landed and commercial interests described in the preceding sections of this chapter, there was for a time in the early years of the nineteenth century a third institutional strand, associated with radical politics and the gathering cause of political reform. While banking was generally and conventionally seen as supportive of the established social and political order (section 5.3), the North Cornwall Bank was set up to provide financial accommodation and funding for the commercial enterprises and political agenda of its radically-minded partners (Lewis 2002, 54). Bankers themselves had always been inclined towards political careers, as the cases of Buller, Lemon and Praed show (sections 6.2, 6.3); but an institution serving political ends was an innovation in Cornwall.

[1] CRO (Cornwall Deeds), X263/104: agreement with creditors (23 January 1826).

This was not so elsewhere: in Ipswich at this period, the `Blue Bank' and the `Yellow Bank' overtly proclaimed their rival political allegiances (Jones, A.G.E 1951, 403-404; Dawes and Selwyn 2010, 80). The North Cornwall Bank was short-lived. It was undermined as marginal agriculture, profitable in wartime, became unviable with falling demand and prices after Waterloo. It failed following the reckless involvement of its resources in the financial morass of Fowey borough politics (Keast 1982, 17-33; Lewis 2002, 55-56).

As elsewhere, the growing movement for political reform in Cornwall gathered momentum during the Napoleonic Wars, and continued beyond the Reform Act of 1832, as recounted by Jaggard (1999). Personalities associated with the movement in the earlier years included John Coleman Rashleigh (1772-1847);[1] Edmund John Glynn (1764-1840); the Rev. Robert Walker (1754-1834); Reuben Magor (1760-1834); Robert Lovell Gwatkin (1757-1843 [2]); and Edward William Wynne Stackhouse (1775-1853). Stackhouse changed his surname to Pendarves in 1815 as a condition of a substantial inheritance (Lewis 2002, 50, 55; Elvins 2001, 149). Also active was Joseph Thomas Austen of Fowey (1782-1850), who took the name of Treffry in 1838 (Keast 1982, 18-19).

An early result of their activities was the founding of the *West Briton* newspaper in 1810, to present a radical viewpoint that was being denied an impartial voice in the established *Royal Cornwall Gazette.* The *Gazette* became sharply and sarcastically critical of the moneyed radicals, with Walker castigated as the `reverend and worshipful possessor of 60 or 70,000 pounds' (Elvins 2001, 149, 153). The radicals were far from being youthful hotheads; and were the determined representatives of a body of mature considered opinion, well-established in the socioeconomic and transactional landscape (Keast 1982, 19). Their economic interests lay largely outside the mining industry. Only Gwatkin and Walker had been active and successful mining adventurers (see Table 6.21; Keast 1982, 15).

[1] Distant cousin of Charles Rashleigh (section 6.4.4; Gill 2011, 69).
[2] http://www.treesandstars.com/Gwatkin, accessed 9 September 2013

Magor, a loser in his mining investments in 1798, was successful as a banker in his later career, joining the Truro Commercial Bank[1] of Turner, Eddy & Co. in 1816: the partnership became Turner, Magor & Co.

Table 6.21

Some Mining Adventurers with Radical affiliations

Income from mining investments in 1798

Robert Lovell Gwatkin	£1431.10
Reuben Magor	(- £173.41)
Rev. Robert Walker	£2085.63

Source: Compiled from PP1799 *Copper Report,* appendices 18-31.

It subsequently expanded with an associated bank in St. Columb in 1823. Both banks were acquired in 1836 by the Western District Banking Company (section 7.2.1; Boase 1890, cols. 1347, 1348). The Glynns of Cardinham, on the southern fringe of Bodmin Moor, had no connection with mining. They were an established landed family, becoming involved in radical politics in the eighteenth century when Edmund Glynn's father John (1722-1779) had been an active parliamentary supporter of John Wilkes (Lewis 2002, 50).

The politically-motivated partnership forming the North Cornwall Bank was crystallized behind the scenes at a reform gathering in Bodmin in July 1811. Glynn was instrumental in its organization, trading as Glynn & Co. in Bodmin. It quickly acquired the Launceston Bank of Hill & Co. (section 6.1.1); John Hill became a partner, but died the following year. The other partners were Gwatkin, Stackhouse, and George Francis Collins Browne; with Adam Thomson (1781-1860)[2] becoming the managing partner in 1815 (Keast 1982, 14; Lewis 2002, 54). The bank's somewhat covert origins suggest that it was promoted especially to serve the financial needs arising from the speculative dealings and political obligations of its partners (Lewis 2002, 54-55; Boase 1890, cols. 1328, 1329, 1334).

[1] So styled since its inception in 1807: *Royal Cornwall Gazette,* 11 July 1807

[2] His age is given in his 1841 Census entry (Lostwithiel), at which time he was involved with iron ore shipments from Wadebridge (Skidmore 2015, 88).

Besides managing the bank and his own timber importing and limeburning businesses, Thomson the agricultural improver had also been managing Glynn's estates from about 1809, following the acrimonious departure of his predecessor John Wallis (Keast 1982, 14-15). Glynn's initiative in setting up the bank could have arisen from his own financial needs, as Wallis in his banking role had provided him with extensive credit facilities (Lewis 2002, 54).

The note issue was licensed in 1812; with W.J. Fry & Sons (Hilton Price 1890, 62) as the London correspondents. The main business of the bank at first was agricultural finance in an expansive wartime economy: Glynn himself was investing heavily in the cultivation of marginal land on his estates around Bodmin Moor (Lewis 2002, 54); but this became uneconomic in the onsetting postwar depression in agriculture. The bank had been trying to reduce its debt to its London agents by £16,000, each partner contributing a quarter. Browne had left in November 1815 after raising his share by selling land; Glynn had to borrow from Stackhouse, now newly-enriched as E.W.W. Pendarves. It changed its London agents to Williams & Co. (for which see Hilton Price 1890, 177), two of whose partners were related by marriage to John Coleman Rashleigh. Glynn mortgaged land to pay £11,900 to the new agents; although asset-rich, his income from agricultural rents had fallen sharply.

In March 1818, Pendarves resigned from the North Cornwall Bank, and the partnership was continued by Glynn and Thomson. Glynn continued his political activities, supporting Austen's candidature at Fowey in the General Election of that year. Thomson had become a business partner of Austen's; and on his own initiative had committed bank funds to the cause. The election was lost, and its validity questioned; in retaliation, James Hamilton Stanhope, one of the victors, instigated the offering of North Cornwall bank notes at a 25% discount in the Holsworthy area (where his family were landowners), undermining the bank's credibility, and causing a run on the Launceston branch in January 1819. This was stopped by an advance of £5,000 in Bank of England notes by the London agents, Glynn and Austen providing the security (Keast 1982, 28-29; Lewis 2002, 55-56).

In June 1819, following the default of a promised large deposit from one of Austen's political associates, the North Cornwall Bank was forced to close after the serious actual state of its affairs became apparent to Glynn. 70% of the money out on loan had been advanced to Thomson and Austen; £25,000 on the `Fowey Account', and £4,500 to their mining ventures around St. Blazey (merged into Fowey Consols in 1822, and subsequently one of the richest mining enterprises in Cornwall). Where Buller's overdrafts in London had been acquitted by Lemon's familial generosity (section 6.2.4), the reckless borrowing of Thomson compromised the sustainability of the institution, and thereby constituted a serious moral hazard. Glynn himself had a credit balance of £7,500; but the bank had been mostly supported by Williams & Co. in London, who had advanced £22,000. Austen abandoned the cause of Cornish political reform, obtained financial assistance from his erstwhile political opponents, and made his own deal with Williams & Co. (Keast 1982, 30; Lewis 2002, 58).

In 1822, Pendarves was still liable for the debts of the North Cornwall Bank, as his retirement in 1818 had not been officially made public in the *London Gazette.* As the only partner with ready money, he was forced to meet some of its obligations. With payment suspended, the partnership was formally dissolved on 26 January; the creditors being paid in full. Under the terms of the deed of dissolution, Pendarves sued Glynn and Thomson in January 1823 for £6.500. Thomson had been imprisoned for debt at Bodmin in December 1822 for six days by Williams & Co.; but as he owned very little, his creditors agreed to a scheme of modest repayments rather than receiving next to nothing by forcing bankruptcy. Glynn however was committed to the King's Bench debtors' prison until August; and was declared bankrupt on 4 November 1823. The sequence of events over several years thus culminated in the alienation of the Glynn estates, to repay the debts outstanding after the collapse of the bank (Lewis 2002, 57; Boase 1890, cols.1328-1334).

Begun in suspicious circumstances and pursued for questionable private and political ends, the managerial ethos of the North Cornwall Bank, such as it was, became reduced in economic adversity to a desperate survivalism. Lending

recklessly to its own partners to finance their political struggles, the bank ultimately became fatally dependent on unsustainable borrowing from its London agents.

6.6.2 Caught by crisis, 1819-1825: the Mevagissey Bank

The early 1820s were a time of high financial speculation across Britain. These were expansionist years, in which investment schemes outran the supply of capital, and were financed instead by overstretched short-term credit, some of which inevitably became caught in non-performing loans and other unrealizable assets. While individual small investors hoped for economic stability, capitalist entrepreneurs, including bankers, hoped to profit from rising share values in an expanding economy (Clapham 1930, 272; Court 1954, 101-104). By the autumn of 1825, over seventy private banks in England and Wales had failed, while others had temporarily suspended payment as the speculation ended in a deep commercial crisis (Clapham 1930, 273; Court 1954, 184; Quinn 2004, 163). Many discovered that a bank was not simply a vehicle to further the personal and private financial objectives of its partners. Its depositors had entrusted themselves financially to their presumed skill and integrity (Quinn 2004, 159); and the bank had thereby acquired social responsibilities with prior moral and legal claims. There had been several Cornish merchanting concerns diversifying into banking during the wartime boom years (section 6.1); among them was Philip Ball & Son, setting up the Mevagissey Bank as an autonomous part of their business in 1807 (Boase 1890, col. 1343).

A major part of the commerce of ports like Mevagissey and Looe was derived from the pilchard fishery, where considerable capital was required for boats, nets and fish cellars. Traditionally, ownership was in shares; but the outlay required (typically £1,000 for seining, £250 for a drift boat), encouraged capitalist enterprise by merchants (Rowe 1993, 265-266). Offshore driving using drift nets often conflicted with inshore seine netting enterprises; the fortunes of both were dependent on the seasonal vagaries of the movements of the pilchard shoals (Rowe 1993, 264, 267; Pawlyn 1998, 67, 69-70). Curing the

catch required large quantities of salt, imported by the merchants from elsewhere in Britain or from Biscay; and for long subject to heavy taxation with some exemptions (Rowe 1993, 267-268; Pawlyn 1998, 67-68). The scale of this trade is indicated by the depositions in respect of storm damage to cargoes made at Quarter Sessions.[1] Fox, Banfield and Lake from Falmouth, and Carne from Penzance, came together to publicly defend the seine fishing interest in 1819; this was something of a watershed year for the industry. Seining was highly but erratically profitable in good years, a speculative, slowly-declining seasonal business that had to await the arrival of the shoals; whereas offshore fishing was a full-time, year-round occupation, able to sail elsewhere in search of other catches (Noall 1972, 94, 114; Rowe 1993, 289-298).

Merchants and bankers like Ball in Mevagissey and Binns in Looe were closely involved in this way of life. The interests of Philip Ball & Son also extended to the north coast, where they invested in a cellar and seining operation in Port Gaverne from 1803 (Lee, M, 2011). Likewise, in 1815 the younger Jonathan Binns was buying into seines, boats and cellars away from home at Polkerris on St. Austell Bay.[2] Extended commitments like these were catching both in a path dependency that was avoided by larger but much more diverse concerns like the Bolithos (section 6.4.3).

The Mevagissey Bank, adjunct to the merchanting business of Philip Ball & Son, seemed to lose its way after the death of the elder Ball in 1819; he was perhaps best characterized by his prominence in an independent Calvinist congregation in St. Issey; where he was named as a trustee,[3] and made a bequest to them in his will.[4]

[1] For example, at Bodmin in 1808 by the master of the *Imogene,* concerning the loss in a storm at sea of 141 out of 2600 bushels of salt being shipped to Jonathan Binns in Looe from Liverpool: CRO (Bodmin Quarter Sessions), QS/1/7/555: proceedings (4 October 1808).

[2] Plymouth & West Devon Record Office (Hamilton Edwards), 314/7: bargain and sale agreement (1815).

[3] CRO (Cornwall Congregational Church records), X 750/27: trust deed (24 May 1819).

[4] CRO (Coode & French), CF/1/4071 (1819): will and probate of Philip Ball (1819).

How far he was motivated by the Calvinistic imperative so closely analysed by Weber (1992 [1930], 56-80) it is not possible to say here. His son became more involved with their new partner, Captain James Matthew Hamilton,[1] possibly seeking to escape their narrowing trading base through speculative expansion in the larger opportunities of St. Austell. As Ball, Hamilton & Co., they began trading as a bank in St. Austell in 1819, continuing there until 1822 (Boase 1890, col. 1343). Ambition may have outrun resources in the volatile, risk-laden financial environment of the period. On 25 November 1824, the Mevagissey Bank stopped payment. The creditors' meeting was held in St. Austell on 29 November. Liabilities were said to be £75,000; and the estimated assets no more than £30,000. On 11 December, Philip Ball the younger was declared bankrupt; and the eventual dividend was 6 shillings in the pound (30%). Mevagissey Bank notes were not now negotiable except at a low rate, and many poorer people were ruined. The promise to pay inscribed on the notes was indeed a moral obligation. The Ball family received no social forgiveness in the community for a generation; and for half a century no new bank ventured to fill the void in Mevagissey, until the Commercial Bank opened its agency in 1881 (section 9.3.1).

This unsatisfactory outcome undermined confidence in bankers generally across Cornwall, causing a run on the three Truro banks; but seventy tradespeople there advertised that they would continue to take the Truro bankers' notes (Boase 1890, col. 1338). Instability persisted: the following year Lord Falmouth joined in a public declaration of confidence in the Cornish Bank;[2] and in Penzance, `two public notices [were] signed by merchants and traders expressing confidence in the banks at Chyandour and Penzance' (Boase 1890, col. 1341) – endorsing the soundness of proven reputations.

[1] Born in 1768, he was something of an adventurer with extensive military service. Afterwards he migrated to Canada, where he was established and thriving as a pioneer settler by 1837 (Hamilton 1923)

[2] Royal Institution of Cornwall (Hawkins), HH/14/162: Lord Falmouth to Sir Christopher Hawkins (17 December 1825).

In Looe, Binns had also been a note issuer, failing in 1819 (Hicks 1950-1951, 184). As Quakers their ethic was more in tune with that of Fox and Tweedy (sections 6.3.2, 6.5). On 25 November 1825, Sir William Elford's Plymouth Bank failed, once again leading to severe pressure on the Cornish banks, and the failure of Emanuel Harvey in Launceston (Hicks 1949, 288-289). Following the failure in Plymouth, the Elford family's social standing collapsed through what Woollcombe in his diary despondently called the `black Christmas' of 1825,[1] with lifelong friendships and associations lost.; and, *pace* Smail 2005, Elford's honour as a gentleman.

6.7 The maturing character of Cornish banking

6.7.1 The qualities and attributes of bankers [2]

After half a century and more of banking in Cornwall, the qualities and attributes required of bankers in partnership and management are now more precisely identifiable. From a deep yet aloof social connectivity with the business community, and from the dealings in the bank, the banker would be continually acquiring a cumulative and intimate personal knowledge of the personalities who had become a fairly exclusive clientele in need of financial services; with an awareness of the way they handled money, and of the varying fortunes of the trades and professions in which they were engaged (Rae 1890, 6-26). In the absence of definitive, quantitative means of assessment, judgments were based instead on this thickly-descriptive knowledge. In general, decisions were made in a pragmatic and qualitative fashion; rationalized by numbers rather than determined by them. As Rae points out, decisions on matters like accepting bills proffered over the counter would usually need to be made instantly, requiring instinct rather than calculation (Rae 1890, 78).

[1] Plymouth & West Devon Record Office (Woollcombe), 710/396: Henry Woollcombe's diary (1825)

[2] Material in this section, and in 6.7.2 following, was presented by the writer in papers to the Postgraduate Researchers' Conference in the University of Exeter on 1 May 2012 (Dirring 2012a), and the Institute of Cornish Studies Conference at Penryn on 14 September 2012 (Dirring 2012b).

Qualities essential to the banker identified by Gilbart (1860 [1849], 12-15) included a commonsensical wisdom rather than genius; decisiveness and firmness;[1] and an even temperament and prudent habits. Additional attributes that might be expected would include a fine and calm judgment, an iron nerve in taking chances, a resourcefulness in playing the game, and a degree of ruthlessness in recovering debts and withdrawing credit when it became necessary. There was ruthlessness even in the most respected figures in a hard age. Between 1778 and 1785, Sir William Lemon forced a harsh career change on his tenant, the landlord of the King's Head in Truro; imposing hardship through sanctions over several years to recover rent arrears, while owing him more for possibly covert election expenses.[2]

In some contrast, the banker prominent in church or chapel would be known (outwardly at least) as an upright pillar of orthodoxy and Christian virtue. At work in the bank, clients would expect to meet with the same integrity and strength of character, deployed in equal measure in spiritual and temporal spheres. Here, at the interface of public reputation and everyday commercial practice, the prevailing religious and social ethic met practical *laissez faire* capitalism (section 4.1). However, the *gemeinschaftlich* fabric of family life, with its religiously-determined morality (section 3.1), was stretched, sometimes to breaking point, by the exigiencies of commerce and the *gesellschaftlich* legal-rational enforcement of contractual obligations. This will be seen most clearly in the narrative of the Carnes of Penzance (sections 6.4.1, 9.3.3). The upholding of ethical values was accompanied by the need to develop and maintain professional practices. No formal qualifications had been necessary at first to enter what was regarded as the trade of banking (Gilbart 1860 [1849], 1); and indeed none existed until introduced by the Institute of Bankers in 1880.[3] Rigorous and universal professional standards in mercantile accounting methods were also slow to develop (Yamey 1949, 109-113).

[1] `Firmness of mind' most `requisite': *Circular to Bankers,* 9 (19 September 1828), 66
[2] CRO (Archer), A/2/161/1-47: correspondence between William Starmar and Swete Nicholas Archer (1778-1785).
[3] First examination results: *Journal of the Institute of Bankers,* I (1880), 678-689.

In the overall picture of accumulated banking practice presented by Rae, skills and techniques were acquired on the job, gained from experience rather than formal training. Although there were many precedents to follow, running a bank was still a matter of acquiring and applying a particular experiential knowledge to the continuing evolution of sound and rigorous procedure (Rae 1890, *passim*).

6.7.2 Social standing and management ethos

The management ethos of the established private bank, having survived crises local and national to become a valued asset of the business community in which it operated, became one of a finely-judged qualitative accommodation of the client's requirements. It was a matter of trust founded on familiar acquaintance, individual integrity and reputation; and of intuitive but responsible risk taking. Relationships, both with clients and with outside agencies such as the corresponding bank in London, were conducted at a personal, face-to-face level; the London firm would be a similar, small-scale institution to its country correspondents (Pressnell 1956, 116-119). The prominent position and involvement of the banker in the community at large was a direct consequence and reward of this ethos. Partners and managers were strongly and publicly identified with the banks they had helped to create and develop, as with the Tweedy family. Their election to public office, particularly treasurerships of voluntary bodies, was regarded as setting the seal on public confidence (Fitzmaurice 1991, 27-28, 30-31, 37-38).

Political involvement of the individual banker on a wider stage could be a further consequence, of which the example of Thomas Simon Bolitho has already been quoted (section 6.4.3); but banking itself was no longer overtly politically-motivated, as it sometimes had been in the years before 1832 (section 6.6.1). The interests of the business and the community which it came to serve could become highly convergent in the Magens manner (section 5.4.2); with a general willingness to deal with the bankers, their bank, and its staff. The conduct of the

bank, and its particular identity, could become rooted in the community and landscape far below the transactional level; reflecting the way business was done locally, as well as the characters of the partners.

In the public mind, the responsibility of the bankers to the bank's depositors and stakeholders was enforced by the concept of unlimited liability. There was wariness about limited companies when they appeared under the first Companies Acts in the 1850s; imperfect and open to fraud in the beginning (Taylor 2006, 2007; Checkland 1964, 43). With everything at risk, the daily concern of the private banker was to maintain the liquidity of the bank, to ensure that all likely demands for payment could be met, including the bank's own notes brought in off the street (Dirring 2012a). Whatever the strength of the profit motive, this had to be the overriding objective. Overall, the scope of the bankers' freedom of action was that offered and dictated by the *laissez-faire* ethos of the macro environment in which all business was conducted (Checkland 1964, 103-106). While information from the micro environment in which the bank operated was privileged, immediate and comprehensive (section 6.7.1), that from the macro environment was less certain. There was a consequent dependence on the advice and actions of outside agents, and the London correspondent in particular (section 2.2.2).

As a business developed and prospered, and also as it hit hard times and as partners came and went (as they did in the Miners' Bank – sections 6.2.5 and 6.2.6), continuity increasingly came to depend on the bank's employees who conducted the everyday running of the business, and who were instrumental in implementing the best practices; a maturity achieved much sooner in some institutions than in others. At Bolithos, with their large established merchanting business running alongside the bank, this would most likely have been the case from the beginning (section 6.4.3). There was in short a growing professionalism in banking, and a better awareness of good risk and bad. Partners would not want to jeopardize the reputation of their bank (on which its success depended), and were becoming more aware of what constituted moral hazard. Banking business was becoming more sharply differentiated from other

interests, as financial expertise became an exclusive, institutionalized specialization, generally without pretence to competence in other areas (Rae 1890, 124).

What may be regarded as the experimental phase in banking development had ended abruptly in the failures of 1825. In the following decades, rigorous procedures and standard accounting methods were gradually adopted. Urged forward by practitioners like Gilbart (1860 [1849]), these were designed to ensure liquidity and minimize risk, and were the lessons of hard cumulative experience; which, in the subtle twists and turns of everyday opportunities and transactions, had to be continually relearned; although financial panics `had occurred within [the] memory of every bank manager' (Collins 1984, 46). The long-term trend was towards the creation of a behavioural norm; from which riskier yet hitherto acceptable practices would become regarded as dangerous deviances.

6.7.3 Partnership succession, continuity and expansion

With a thriving and prosperous bank established in the community in the first generation of a partnership, it was natural that not only the partners, but also their clients and associates, would wish for continuity in the institution to safeguard and sustain their ongoing mutual commitments. These were the products of the trust built up through the accumulation of transactional experience; a trust expressive of the principles inherent in *Gemeinschaft* (section 4.2), and resulting in reduced transactional costs. Coase (1937, 401-403) applies marginal analysis to these costs, to conceptually determine the optimal size of a family-based firm. A point is reached where the size of the firm, with a wider geographical reach, is beyond the scope of its *gemeinschaftlich* networks, and the mechanisms of *Gesellschaft* become more effective (Casson 1999, 12). For the Bolitho banks, this was still in the future, at the time of consolidation in 1889-1890 (section 9.5).

The *gemeinschaftlich* structure of extended, formalized family relationships, interacting with others of a similar and complementary nature, did provide the essential framework for the legal construction of inheritances and economically-secure marriage settlements. The senior partners would be looking for ways of securing the succession in the first instance within their own family, social and business connections - especially vital for those, like Thomas Robins, who had daughters but no sons to continue the family business and further enhance the family fortunes (section 6.4.5). By allowing and encouraging his daughters to marry into the bank partnership, he not only strengthened the partnership itself, but also promoted its continuation through self-interest and familial ambition by the sons-in-law – given that they were suitably qualified by ability and disposition (section 4.11). The potential of marriage alliances enlarged the possibilities of succession by competent and committed individuals, and partnership bonds were strengthened. A prime example of this is provided by the career progression of John Sargent Bedford from Liskeard to Penzance via his marriage connection with the Bolitho family (sections 6.4.3, 6.4.5). This was also the eventual making of the Miners' Bank (section 6.2.6).

CHAPTER 7

The emergence of joint-stock banking, 1832-1870

7.1 The legislation of 1826

The cumulative failings of largely-unregulated banking practices began to receive increasing attention in Parliament in 1826, marked by Lord Liverpool's oft-quoted comment that any `petty tradesman' could start a bank regardless of ability or financial standing.[1] A better understanding of the nature of banking and the money supply was gradually accruing, both academically and in the public gaze; refracted through political controversy, it had originated in the abnormal wartime conditions which had encouraged *laissez-faire* financial improvisation on a large scale (Nachane and Haketar 1996, 65-67). The bank suspension period (section 5.4.5) had been a novel monetary experience. Country banknote circulation was determined by individual operational decisions at the micro level, with no responsibility for the collective macro consequences (Clapham 1930, 264-266). Concern was expressed at public meetings held in Launceston and St. Columb in 1805, opposing the issue of small notes by country banks.[2] The context was Charles Rashleigh's refusal, as Receiver General of Taxes in Cornwall, to accept local notes, which were inconvenient to negotiate elsewhere.[3]

On one side of the controversy, this situation was accepted as a natural consequence of the *laissez-faire* principle, with equilibrium and stability achievable through the ordinary processes of commercial adjustment; the volume and denomination of note issues would on the whole be determined by transactional requirements.

[1] *Hansard,* 17 February 1826, cited in Pressnell 1956, 12-13.
[2] *Royal Cornwall Gazette,* 23 March and 9 November 1805.
[3] *Ibid,* 14 December 1805, 1: `the unreasonable increase of notes issued by private persons'.

This was broadly the view of what became known in the next generation as the `banking school'. The opposing `currency school' held that note issues were in need of regulation; they needed to represent actual value in gold, and be truly convertible.[1] It was the `currency school' discourse that eventually predominated; becoming embodied in the Bank Charter Act of 1844 (section 7.5.1; and Ollerenshaw 1987, 56; Daugherty 1942, 140-141).

The limitation of country banks to private partnerships with no more than six partners dated from the renewal of the charter of the Bank of England in 1708, when that institution became the only joint-stock bank permitted in England and Wales including Cornwall (Pressnell 1956, 5-6). Interlocking partnerships, enlarging the scope of their business through association, could overcome this difficulty to a degree, as in the case of the Cornish Naval Bank (section 6.3); but in general banks necessarily remained small in scale, local in scope and often insecure in resources.

In the deep financial crisis of 1824 and 1825, there were many bank failures across England and Wales; alongside the failure of the Mevagissey Bank, the Plymouth and Tamar Valley banks were hard hit (Hicks 1949). The Scottish banking world had been largely untouched by this crisis; this was believed to have been due to its predominantly joint-stock organization (Checkland 1975, 406-410). The Newcastle merchant Thomas Joplin had been impressed by his dealings with Scottish banks; and in the early 1820s had begun with other advocates of banking reform to articulate a discourse of English joint-stock banking (Phillips 1894, 88-91; Clapham 1930, 269-271).

In the aftermath of the crisis, two Acts passed in 1826 began to recognize the now manifest shortcomings of the *laissez-faire* way of conducting the banking business of the country through small, insecure and unregulated local banks.

[1] `Practical Bankers' *versus* `Metallic Theorists': *Banking Magazine,* 2 (1844), 7.

Its main features were:

(1) The suppression of small banknotes (7 Geo IV, c.6). Despite their convenience, these were now thought to encourage holders of small sums to convert them to gold in times of panic. £1 notes were therefore abolished, except in Scotland, where they had successfully circulated from the beginning. They were replaced by the gold sovereigns that were coming into circulation (Clapham 1930, 274). However, in Cornwall as elsewhere small notes had become a vital part of the circulating medium, and much faith was vested in the integrity and ability of the familiar local financial institutions which issued them. In the aftermath of the Mevagissey failure, editorial comment in the *Royal Cornwall Gazette* proudly pointed to the `ample resources' of the other Cornish banks in withstanding the demands made on them, increasing local confidence in their `guaranteed' note issues.[1] From East Looe, a petition for repeal of the 1826 legislation was sent to Parliament in June 1828 (Spencer and Fisher 2009). This confidence was notwithstanding the gold sovereigns that were coming into circulation following the resumption of cash payments by the Bank of England in 1821, whose own small notes thereby began to be withdrawn (Clapham 1930, 263; Quinn 2004, 164).

(2) Removal of the old six-partner rule, thereby permitting joint-stock organization with many shareholders; although not at first within the 65-mile radius used to define an outer limit to the London metropolitan area (7 Geo IV, c.26). The Bank of England, losing its monopoly of joint-stock banking, was allowed to establish a branch network; it opened in Plymouth in 1834 after an abortive beginning in Exeter (Clapham 1930, 274-275; Ryton 1983, 8; Quinn 2004, 164).

Under the Act which renewed the Bank of England's charter in 1833 (3 & 4 Wm IV, c.98), joint-stock banking was then allowed in London, but without note issues; however, due to their convenience, Bank of England notes were already in sole usage in the metropolitan area (Clapham 1930, 264-265). It was accompanied by a relaxation for the Bank of the usury laws, long circumvented, with final repeal in 1854 (17 & 18 Vict, c.90).

[1] *Royal Cornwall Gazette,* 11 December 1824.

Interest was no longer restricted to a maximum of 5% (Clapham 1930, 346-349, 509; Clapham 1932, 350). In 1834, the London & Westminster was the first joint-stock bank to open in London following the new legislation. This was a contentious event, meeting much opposition in the City (Clapham 1930, 510), and only five such banks had become established there by 1844. They found most favour at first in the industrial areas and in Ireland, where no private banks remained in Ulster after 1827 (Clapham 1930, 510-512; Ollerenshaw 1987, 29).

7.2 The nature of joint-stock banking

Though newly-authorized for banking in 1826, joint-stock organization itself was not an innovation. Aside from the chartered companies, or those (like canals) authorized by Act of Parliament, there was an evolutionary tradition of such organization; unincorporated stock companies, particularly in insurance, in which `shareholder democracy' had some impact, if not a `flowering' (Pearson 2002, 865). In Cornwall, the cost book mining company was a precedent; `democratic' because locally-organized with active adventurers (section 6.2.1).

In basic terms, the joint-stock form of business organization is based upon a number of shareholders subscribing capital to an enterprise, which is then operated by paid managers on behalf of the shareholders. Unlike the closed private partnership, a joint-stock company can have many investors, and the shares may be traded. Whatever private objectives or ambitions the varied shareholders may have in life or business, the sole remit usually given to the management of the organization is to make and distribute a profit. Used to the steady but small dividends on Consols or railway shares, investors in nineteenth-century joint-stock banking would have hoped for a better return from banking; but might have had to be satisfied with less as business prospects rose and fell. In Cornwall, the choice could be between the high risk and high returns from mining, and the steadier but still risky returns from joint-stock banking. London adventurers, with the world of investment at their feet, were keenly aware of such relative merits (Lewis 2006, 175; Burt 1998, 715).

The bank's management, with many calls on the surplus generated – to meet rising costs and unlooked-for contingencies; retention for future investment; and to maintain and safeguard liquidity – might declare a dividend calculated to no more than satisfy the perceived expectations of the shareholders and hold their loyalty and regard. It would however have to be more competitive in denser capital networks like those of industrial Lancashire, where there were many other competitive opportunities for investment (section 2.2.3; Anderson and Cottrell 1975, 598-603). A higher published dividend would however enhance the prestige of the bank by providing an indicator of what would then be taken as its prosperity and stability.

The manager of a newly-founded joint-stock institution was organizationally very different in character to the partner in a private bank. As a salaried official without a shareholding (although this was frequently extended to senior management), the ostensible concern would be to fulfil the expectations of the largely faceless shareholders, who bore the liability for the management's actions. With no legislative requirements governing corporate constitution, capital structure or audited accountability (Thomas, S.E, 1934a, I, 205), and no accumulated managerial experience of joint-stock organization, success depended at first on adaptable individual competence, and an emerging professional sense of corporate honour built on personal integrity. Managers were enjoined by Rae to think of each loan advanced as if it were being made with their own money (Rae 1890, 2-3). Many of the early joint-stock banks failed to meet both operational requirements and public expectations. There is a sad catalogue of failures cited by Thomas; with prevalent themes of inexperience, incompetence, misplaced trust, reckless lending and muddled priorities shading off into fraud in hopeless attempts at recovery in the face of financial adversity (Thomas, S.E, 1934a, I, 668-676; and section 5.1.4).

In the early days, the operations and concerns of joint-stock banks were little different from those of a comparable private partnership. The early board meetings of the Plymouth & Devonport Bank transacted locally-based business similar to that of their private predecessors, in which some of the directors had

been partners. Their minutes show little sense of working on behalf of anonymous and mostly invisible shareholders (section 7.3). In Helston, the Banking Company had few and known shareholders, and in practice acted as an enlarged but increasingly apathetic partnership (section 8.6.2). Boardroom deliberations, recorded in locked minute books (Pearson 2002, 866) as they were at the London & South Western Bank (section 7.6), could be no more transparent than those of private banking partners. At the 1836 Secret Committee, there was a strong disinclination among some witnesses to submit confidential financial information, even though confidentiality was assured.[1]

In insurance companies from the 1830s onwards, power accrued to directors as shareholder involvement diminished (Pearson 2002, 863-866). However, in the early years of joint-stock banking with unlimited liability in Belfast, wealthy shareholders and wealthy shareholding directors alike had an imperative interest in corporate governance (Hickson and Turner 2005, 179-180); the former because of the greater risk inherent in delegation (Thomas 1934b, 130-131). In Yorkshire, a distinctive feature was that shareholders were encouraged to borrow; indeed, this was one motive for acquiring shares (Hudson 1981, 389-390).

While there were only 28 successful joint-stock banks established by 1833 in England (Thomas 1934b, 130), they had become widespread by the time of John Dun's comprehensive statistical survey (Dun 1876). However, the distinguishing feature of nineteenth-century Cornish banking was its comparative lack of joint-stock banks until after the crisis of 1879. Apart from the Helston Banking Company, founded in 1836 (section 8.6.2), it was initiatives from outside that brought joint-stock banking to Cornwall. From 1832 onwards, the Devon & Cornwall Banking Company built up an extensive branch network, extending across several counties by 1900 (Armstrong 1937, 42-43).

[1] The first day of the Inquiry was spent in addressing their objections: PP 1836 *Joint Stock Banks,* questions 1-103. Opposition to returning the preliminary questionnaire (shown on pages iii-iv of the Report) had been mobilized by some Manchester bankers; but many were happy to comply.

In 1836, the Western District Banking Company bought its way unsuccessfully into Cornwall; and in the 1860s the London & South Western Bank failed to find favour as a corporate outsider. These three contrasting institutions are now discussed in the sections which follow (7.3, 7.4 and 7.6), together with the further regulatory and facilitating legislation which sought to address the ongoing problem of financial stability (section 7.5).

7.3 The Devon & Cornwall Banking Company

Set up amid the ruins of the Plymouth banks which had failed in 1825 (see Hicks 1949), the original Plymouth & Devonport Banking Company had been established on 2 January 1832, taking over the business of the former General Bank of Hingston & Prideaux. The name was changed to Devon & Cornwall on 19 October 1833, to reflect wider geographical ambitions. The nominal capital at first was £300,000, increased in 1840 to £500,000. The paid-up capital as at 31 December 1832 was £40,436 (Boase 1890, col. 1341).

The management in Plymouth was initially conducted by William Prance (chairman), with Walter Prideaux as manager, and David Derry with Alfred Hingston as sub-managers. This embryo corporate structure offered career progression. Derry succeeded Prideaux as manager after his death in June 1832, later becoming the general manager of the expanding company. Resigning in 1866, he was followed by Charles Prideaux until 1870; Alfred Hingston was general manager thereafter (Boase 1890, col. 1341). There was thus something of a continuing, long-term familial succession from the old General Bank; and both Prance (1782-1861) [1] and Derry (1794-1867) [2] were prominent citizens of Plymouth, with strong religious affiliations and setting a high moral tone in their dealings.

[1] http://www.prancefamily.co.uk/pages/Plymouth, accessed 7 November 2014
[2] http://plymouthdata.info/Who%Was%Who-Derry%David, accessed 13 May 2013 (closed 16 June 2014)

However, it soon became banking on a much larger scale than a private partnership, however wealthy and reputable, could prudently contemplate; although, despite its adopted trading style and title, the Devon & Cornwall was cautious about entering the Cornish economy. As newcomers in Cornwall, they had none of the powerful family and business connections which sustained the Bolitho enterprises across the county, only slowly building up a sustainable branch network as a matter of formal organization and set procedures as communications improved.

Instead, it looked eastwards across Devon, where its early acquisition by invitation of two Kingsbridge banks in 1832 (Sayers, R.S., 1957, 243) demonstrates a cautious, selective commitment to new liabilities, in that some of the acquired loans were to remain the personal responsibility of the banker concerned.[1]

Cornish operations began in 1834 with a branch in St. Austell, followed by agencies in Liskeard and Bodmin; and another branch in 1836 in Launceston (Boase 1890, cols. 1329, 1335, 1336, 1343). By 1844, the Devon & Cornwall Bank had fifteen branches, most of them in Devon. The troubled Bodmin agency was closed in 1850, eventually reopening in 1890 (Sayers, R.S., 1957, 297). It had suffered several attempted robberies during the 1840s (Armstrong 1937, 42). There was then no further expansion until the acquisition of the Truro branch in 1847 from Ricketts & Enthoven (section 7.4). Caution remained concerning expansion in Cornwall, despite the greater feasibility of a centrally-directed Cornish branch network brought by the underused Cornwall Railway after 1860 (Thomas, D.StJ, 1973, 132-133, 135-136). With consolidation in east Cornwall, there was only the tentative opening of an agency in Helston (1870-1875), and a move into new offices in Truro in 1872 (Boase 1890, cols. 1334, 1348).

[1] Lloyds Banking Group Archives (Devon & Cornwall Banking Co.): Plymouth & Devonport / Devon & Cornwall Board Minute Book (1831-1841).

High dividends were the measure of the Devon & Cornwall's success. At the general meeting in March 1866, a dividend of £1 15s per share was declared, additional to a similar sum paid in the previous September; this equalled an annual rate of return of 12½%.[1] In 1888, it was said to be 18¾%, with forty branches and agencies altogether across its trading area and a capital of £1,000,000 (Boase 1890, col. 1341). The greater expansion, in common with other banks generally, came after 1879 in the age of limited liability. The later history of the Devon & Cornwall Bank is traced in sections 9.3.4 and 9.6.2.

7.4 The Western District Banking Company

The initial success of the Devon & Cornwall is contrasted with the experience of another and less-cautious joint-stock newcomer to banking in Cornwall and Devon in the 1830s and early 1840s. The Western District Banking Company, established in Devonport on 12 September 1836 (Boase 1890, col. 1330), aimed for rapid expansion. It acquired branches quickly by purchasing existing partnerships on the point of dissolution in Falmouth, Penzance, St. Columb and Truro, ensuring continuity of operations by retaining their existing staff (see Table 7.1). A branch was also started in Helston; and others in Devon (Boase 1890, col. 1333; Armstrong 1937, 10).

The acquired businesses continued much as before under their existing managements. Though they were nominally run as branches from a head office in Devonport, its remoteness from the action was insuperable in those pre-railway times. The lack of central direction proved fatal after only eight years of trading. In 1844, with a quarter of the insufficient capital and all the reserves lost, a final call of £3 10s per £10 share had to be made; the total loss to the shareholders was £120,000. However, the directors were not directly blamed: failure was attributed rather to external factors outside their control.[2]

[1] *West Briton,* 2 March 1866.
[2] *Bankers' Magazine,* 2 (1844-1845), 51-52. No losses were incurred by the public, either as depositors or note holders.

Harsher outside judgment saw failure as resulting from their unfamiliarity with banking as practised in the acquired businesses; over-hasty expansion; the overgenerous indulgence of overdrawn accounts and bad debts; and the bad faith of associates (Armstrong 1937, 10; Thomas, S.E, 1934a, I, 671).

In September 1844, Ricketts, Enthoven & Co., of London, a private partnership with Cornish connections alongside their involvements in mining elsewhere in Britain, entered banking in Cornwall by acquiring the Truro, Penzance, Falmouth**,** and St.Columb branches of the Western District Banking Company. The Helston branch was closed; the three Devon branches had already gone in the early 1840s (Boase 1890, col. 1330; Armstrong 1937, 10-11).

Table 7.1

Businesses acquired by the Western District Banking Company

Compiled from Boase (1890); column references given.

Section references are to discussion elsewhere in the present work.

Bank	Managers after 1836	Section ref	Boase col
Falmouth Bank	John Richards; William Phillips from 1843	6.5	1331
Penzance Union Bank	John Josias Arthur Boase	6.4.2	1340
St. Columb Bank	Thomas Whitford	8.5	1344
Truro Commercial Bank	Josephus Ferris, then Andrew H Kinsman Brittan	6.6.1	1347

Whereas the head office of the Devon & Cornwall Bank in Plymouth was centrally located within its operational area, Ricketts & Enthoven sought to control their remote operations from London, as their predecessors had from Devonport. The incoming partners were Frederick Ricketts, Henry John Enthoven, Edmund Turner (Birmingham), James Oliver Mason, and Trevenen James. Turner and Mason retired on 25 April 1846.

The note circulation of the old company had averaged £18,125; but the note issue authorized in 1844 for the new venture (section 7.4.1) was £31,416 (Boase 1890, cols. 1330, 1341, 1344). The *de facto* autonomy of the branches was recognized to a degree in the note issue: a £5 note issued in St. Columb in

1844 was in the name of the `St. Columb Bank', while listing the new partners (Outing 2010, 476).

The extensive and dubious involvements of this partnership elsewhere in Britain in mining and the metal trades led quickly to its dissolution. Ricketts and James were reported as being `in commercial difficulties' on 26 January 1847; their chief creditor being the Governor and Company of Copper Mines in England. The banking business of Ricketts, Enthoven & Co. in Cornwall was wound up on 11 October of that year, the partnership being formally dissolved for H. J. Enthoven on 28 April 1848. In accordance with the 1844 Bank Charter Act, the right to issue notes was lost (Armstrong 1937, 11). The branches that had previously been independent local banks, with the same management throughout, now became tradeable business units, dependent for their continuance on rescue or takeover. Bolitho's acquired the business of the former Penzance Union Bank; and the St. Columb and Falmouth branches went to the new family-based partnership of Hawkey, Nicholls & Co. (section 8.5). The branch in Truro was acquired by the Devon & Cornwall Bank (Boase 1890, cols. 1331, 1340, 1344, 1347).

While the central management failed, the individual businesses were sustained by the continuity of their staffing, and the loyalty and effectiveness of their managers. William Phillips had been manager at Falmouth for Carne, Lake & Carne; after Ricketts & Enthoven, he continued with the new owners until their failure in 1866 (section 8.5); thereafter serving for a further period as sub-manager when the branch was taken over by the West Cornwall Bank (Boase 1890, col. 1331). Andrew H. Kinsman Brittan continued as the Devon & Cornwall manager in Truro until 1859 (Boase 1890, col. 1347). The name reappears in Plymouth in 1863 as manager of the London & South Western Bank's new branch.[1]

[1] Barclays Group Archives (L&SW Bank), 0003-0107: Board Minute Book, 1862-1874, page 65 (16 June 1863).

7.5 The further growth of regulatory and facilitating legislation, 1844-1860

The years 1836-1839 were a period of financial uncertainty at home and abroad. It was thought that recent booms had been fuelled by burgeoning note issues, and by marginal lending to doubtful borrowers who had seemed to have the brightest prospects in an expansive economy. The consequent loss of confidence could affect good and bad alike (Court 1954, 186-187; Thomas, S.E, 1934a, I, 203); as it had in the previous decade, when the failure of the Mevagissey Bank (section 6.6.2) had led to a run on the Truro banks. The legislation of 1826 and 1833 (section 7.1) was intended to enlarge the scope and scale of banking institutions as joint-stock organizations; and to improve their stability through the elimination of small notes. It had brought forth both solid banks like the Devon & Cornwall (section 7.3), and unsustainable failures like the Western District (section 7.4).

Neither was a Cornish creation; and in general across England and Wales joint-stock banking was regarded as a legislative innovation exogenous to local conditions, as were the new Bank of England branches (Thomas 1934a, I, 84-85, 94-95). A prominent exponent of the emerging discourse of the `banking school' was Henry Burgess; his *Circular to Bankers* began in 1828 as an untiring advocate of the private country bank, with its small note issue endogenous to the local economy, and reflecting the transactional needs of the community in the Magens manner (section 5.4.2). The local convenience of small notes was contrasted with the traditional and ongoing difficulties of obtaining and maintaining an adequate coinage.[1] Alongside the weekly economic discourse, political lobbying commenced with a petition presented in the House of Lords by Earl Grey.[2] According to Moss (1992, 130-131) the *Circular* began to cultivate a sense of professional self-awareness and solidarity amid the diversity of country banking.

[1] *Circular to Bankers,* 15 (31 October 1828), 114-115.
[2] *Ibid,* 3 (8 August 1828), 19-23; 4 (15 August 1828), 28-30.

The growing dissatisfaction with joint-stock banks led to the Parliamentary Committee of 1836-1838, chaired by the Chancellor of the Exchequer (Thomas, S.E, 1934a, I, 207-208). Its first reports [1] examined a wide and disparate selection of banks and bankers, beginning with the Norwich & Norfolk, one of the first banks to be established under the 1826 legislation (Thomas, S.E, 1934a, I, 656). Failing in February 1836, it was immediately reconstructed as the East of England Bank; ultimately very successful (Outing 2010, 239), yet initially under much the same management. The two reluctant witnesses examined had memories as poor as their accounting practices. There was little control over branches, agents, overdrafts or share transfers. A steady dividend was paid annually, regardless of losses, to maintain status. No balance sheets were published; but shareholders were satisfied with explanations, and were not consulted over the reconstruction.[2] Comparable in many ways to the Western District Bank in Cornwall, this bank was regarded as an exemplar of bad practice in the Report.[3]

In complete contrast was the much-respected Vincent Stuckey's bank in Somerset, an 1826 joint-stock amalgamation of four private banks, and backed by nearly a century of banking experience.[4] Most of the shareholders lived in Somerset; and the branch network studiously kept within the county and rooted in the community. Expansion was through acquiring the goodwill of private banks offered for sale, and retaining their staff and local expertise. Liquidity was paramount; with overdrafts never allowed to become long-term loans, unlike in Yorkshire (section 2.2.3; Ollerenshaw 1988, 58-61). The Devon & Cornwall was likewise careful to put down roots in the areas in served; but even by 1870 had attracted relatively few investors from Cornwall.[5]

[1] *Report from the Secret Committee on Joint Stock Banks* (20 August 1836): PP 1836 *Joint Stock Banks.* Second report (15 July 1837), PP 1837 *Joint Stock Banks.*

[2] PP 1836 *Joint Stock Banks,* questions 104-499. The `instant banking' of the short-lived Northern & Central Bank, a pivotal failure (Stuart-Jones 1971), was exhaustively examined in PP 1837 *Joint Stock Banks,* questions 1-1901.

[3] PP 1836 *Joint Stock Banks,* page v

[4] *Ibid.,* question 1314

[5] Only 50 out of 338, or 14.8%; calculated from the shareholder list in *West Briton,* 10 February 1870, 8

7.5.1 The Bank Charter Act of 1844

The Bank Charter Act of 1844 (7 & 8 Vict. c.32) was the legislative response to the failures and disillusionments of the previous decade. The Committee of 1836-1838 did not investigate note issues and monetary control; which had remained largely unregulated, apart from the suppression of small notes instigated in 1826 (section 7.1). These matters were examined by a further Committee convened in 1840, in its first Report closely questioning the nature of money itself in all the vagaries of the circulating medium, including *inter alia* bills of exchange in the transactional usage of Lancashire.[1]

Following this, the discourse of the `currency school' (section 7.1) gained the ascendant. It attached prime importance to the control of the gold reserve at the Bank of England; which had been severely depleted in the crises of 1825, 1836 and 1839. The comprehensive control of excessive note issues was thought to be the key to financial stability (Daugherty 1942, 141-142, 145). Proponents of the `banking school' were late in the field, and less coherent with their counter arguments. They maintained that note issues had to be considered alongside bills of exchange and advances of credit as forms of money, with the latter the more important (Daugherty 1942, 148-150).

Under the Act, the Bank of England's business was formally divided between a Banking Department and an Issue Department (although the organizational reality was more complex than this); and its note issue, vested in the Issue Department, was controlled so as to be fully convertible into gold on demand. The maximum number of all other banknotes in circulation was fixed as from 10 October 1844; some few, listed in a schedule appended to the Act and including the Devon & Cornwall Bank, had already surrendered their issues in favour of Bank of England notes. Thereafter, if any bank discontinued its note issue, it could not resume; and the right of issue was also lost in amalgamations.

[1] PP 1840 Banks of Issue, questions 68-391: a stiff interrogation of J.B. Smith, a director of the Bank of Manchester.

The long-term aim was to unify the note issue under the Bank of England, which was not finally achieved until 1921 with the demise of Fox, Fowler & Co., operating in Cornwall and the last of the country note issuers (section 9.6.2).

The endogenous creation of money at the local level was thereafter contained within exogenously-determined limits. Country banknote circulations, however, were declining in overall importance, with most eventually falling far below their authorized level. Cheques and overdrafts were becoming more common; the inland bill of exchange was also being supplanted by the 1870s (Court 1954, 187-188; Quinn 2004, 148). The authorized note issues of banks operating in Cornwall are listed in Table 7.2, together with the percentages actually in circulation in later years.

Table 7.2

Authorized note issues and actual circulations, 1844-1885

	Authorized	Percentage actually in circulation					
	1844	1845	1850	1855	1860	1865	1870
Helston Banking Co	£ 1,503	96.9%	96.8	96.2	100	98.9	99.6
Penzance Bank	£ 11,405	90.6%	91.4	91.2	60.2	73.0	62.7
Tavistock Bank (a)	£ 13,421	95.9%	53.5	62.2	55.2	64.6	42.7
Helston Union Bank	£ 17,003	80.4%	47.2	70.1	82.1	93.3	53.6
Mounts' Bay Bank	£ 17,003	Used East Cornwall notes instead (b)					
Miners' Bank	£ 18,688	88.9%	55.5	70.5	87.6	95.8	86.9
Ricketts & Enthoven	£ 31,416	wound up in 1847 (c)					
Cornish Bank	£ 49,869	87.0%	65.5	92.2	88.0	54.9	50.3
East Cornwall Bank	£112,280	83.0%	84.3	83.7	84.0	73.3	63.1

(a) section 8.1 (b) section 6.4.3 (c) section 7.3

Source: Armstrong 1937, 87

The amounts authorized in 1844 reflected the relative standing of the banks at that time; being fixed, they could not change thereafter to reflect business growth or improved trading conditions, and increased transactions had to be facilitated by other means. Armstrong points to the general rise in deposits as another cause of the decline in local note circulation (Armstrong 1937, 88-89); deposits in bank accounts replaced the hoarding of notes as confidence in

financial institutions grew, and payments by cheque replaced payments in notes. This confidence was matched by a widening acceptance and increased usage of Bank of England notes, made legal tender by the Act renewing the Bank's charter in 1833 (3 & 4 Wm 4 c.98). Table 7.2 shows a greater decline in the circulation of the Tavistock Bank, close to the Bank of England's Plymouth branch, compared to those of the banks in west Cornwall. The East Cornwall's notes may have been similarly affected locally; but had a much wider circulation, as they were also used by the Mounts Bay Bank in Penzance.

The 1844 Act, through the restructuring of the Bank of England and the regulation of the money supply by a supposedly automatic mechanism, was nevertheless an insufficient guarantee of financial stability; as it had to be temporarily suspended in 1847, 1857, and 1866 with excessive demand on the gold reserves (Daugherty 1943, 241-242, 249). In the 1914 international financial crisis, improvised £1 Treasury notes replaced hoarded gold sovereigns in circulation, supplementing the unwieldy £5 notes that had been the smallest Bank of England denomination permitted since 1826 (Roberts, R, 2013, 119-133). With country banknotes largely eclipsed by this date, the supply of currency had become an issue only addressable by the government.

7.5.2 The first extension of limited liability to financial services

The beginning of limited liability for joint-stock companies in Britain was the Limited Liability Act of 1855 (18 & 19 Vict., c.133); but at first the principle was not extended to the maturing financial services sector (Clapham 1932, 351). There was an entrenched belief that the goodwill of a bank was grounded and guaranteed in its obligation to pay on demand; and that limited liability could become a mask for incompetence and fraud; this was reinforced by the failure of the notorious Royal British Bank, which had enticed many small investors (Taylor 2007). Meanwhile, in the crisis of 1857, the failure under unlimited liability of the substantial Western Bank of Scotland had lost its shareholders all their capital and reserve (Checkland 1975, 466-469). Limited liability was

therefore made available to banks by an Act of 1857 (21 & 22 Vict. c.91), and consolidated by a further Act of 1862 (25 & 26 Vict. c.89). Yet this was hardly taken up at first. The established banks continued to rely on their reputations and experience, and were nervous of the financial openness which registration would entail; control may have become separated from ownership, but managers felt a high moral obligation to their shareholders (Clapham 1932, 351).

7.6 Colonization by the London & South Western Bank

Though unattractive to established institutions, the new legislation introducing limited liability encouraged innovation, and facilitated the development of a new breed of joint-stock bank. These were not grown locally from the enterprise of reputable individuals; but were promoted in London with nationwide or imperial ambitions, raising capital from a wide range of investors who did not thereby have to risk everything in the pursuit of untried prospects. Strategies of rapid expansion were deployed from the outset into areas of perceived opportunity at home or overseas. The London & South Western Bank Ltd. and the Standard Bank of South Africa Ltd. offer contrasting examples of what can be regarded as `colonizing' projects, in the sense that both were based in London, and were expanding into territories beyond the metropolitan horizon.

While the head office of the Standard Bank (incorporated 13 October 1862) was in London, the entire field operation was overseas; much of it in a new and barely-developed colonial environment, remote and rough in its raw newness and fulsome in its opportunities. In South Africa at this period, communications were very poor; with integration of the business challenged by autonomy over distance, as local branch managements from absorbed banks continued their former practices (Henry 1963, 5-9). The adoption of effective decentralization and delegation, while maintaining and extending organizational coherence, was thus the key to the success which, as seen above (section 7.4) had eluded the Western District Banking Company in Cornwall.

An earlier instance of `colonization' (but with unlimited liability) can be taken to be the Provincial Bank of Ireland, incorporated in March 1826 and based in London. Its aim was to set up branches throughout Ireland, outside the area of the Bank of Ireland's monopoly (Ollerenshaw 1987, 17-18). While Hechter might regard its long-term control from London to be in accordance with his internal colonization thesis (Hechter 1999, 88-89), this hardly applies to the London & South Western Bank's transient activities in Cornwall. Several Cornish branches were opened in the 1860s; but they did not prosper, and the bank had withdrawn from Cornwall and many of its other south western locations by the end of the decade. Its overall position was sometimes precarious; and the response was contraction and consolidation. Instead, as will be seen, it transformed itself into a metropolitan bank; with the majority of its branches forming a strong core network in the fast-growing London suburbs (Matthews and Tuke 1926, 351-353).

The London & South Western Bank Ltd. was incorporated in London at the end of 1862,[1] but did not commence operations until 1 July 1863. Its promoters considered that certain areas of the south west and Cornwall were underbanked. With no pre-existent branching strategy, one of the first tasks for the directors, who were for the most part London-based, was the identification of suitable trading locations: one of the first managers, Courtenay Clarke, reported on prospects in Cornwall and Devon.[2] West Cornwall, and east Devon and South Somerset, became the favoured areas (Matthews and Tuke 1926, 352). Both had very recently received direct rail connections to London, in 1859 and 1860 by the Cornwall and London & South Western Railways respectively (Thomas, D.StJ, 1973, 52, 132, 137; there was no connection between the bank and the railway company). The Cornish branches and their immediate competitors are shown in Table 7.3.

[1] Barclays Group Archives (L&SW Bank), 0003-3370 & 3371: Memorandum and Articles of Association (1 November 1862).
[2] *Ibid.*, 0003-0107: Board Minute Book, 1862-1874, pages 27 and 29 (3 and 9 March 1863).

Table 7.3

Cornish branches of the London & South Western Bank

	Opened	Closed	Established competitors
Redruth	1863	1867	Cornish Bank, West Cornwall Bank
Camborne	1864	1867	Miners' Bank
St Agnes	1864	1867	(none)
Penzance	1864	1869	Penzance Bank, Mounts Bay Bank
Helston	1865	1869	Helston Union, Helston Banking Co
Falmouth	1865	1867	Cornish Bank, West Cornwall Bank
Truro	1866	1867	Miners' Bank, Cornish Bank, Devon & Cornwall Bank

Source: Boase 1890, cols. 1329-1333, 1340-1341, 1343, 1346-1348.

As seen severally in chapter 6 above, the banks already in place were well-established local names, and had outlasted other previous and more ephemeral players. Only in St. Agnes was there no competition. The other main task facing the directors was the recruitment of suitable staff. Study of their minute books, as will be seen, reveals that from the outset the policy was to create a corps of managers and clerks, for deployment where required across the branches as they opened. The emerging principle was that banking was an objective matter of procedure and accounting; and that the bank's officers could perform equally well in any situation, whether home or away, urban or rural, industrial or agricultural, regardless of social or cultural environment. Managers and clerks alike were recruited into the general service of the Company, rather than being appointed to specific branches. Salaries for the emerging grades appeared to be related to individual performance, rather than the situation in which they were employed.

The eventual result in later years was the creation of a strong *espirit du corps* (Matthews and Tuke 1926, 353), within which individuals could make successful careers in banking, from unpaid probationary clerkship upwards to branch management. These features are apparent in the narrative immediately following. In Cornwall, managers were moved between branches, or took

responsibility for more than one. The sequence of these moves, as recorded by Boase, is shown in Table 7.4.

Table 7.4

London & South Western Bank managers in Cornwall

	1863	1864	1865	1866	1867	1868	1869
Redruth	Clarke	Woods	Woods	Woods	*Pickin*	-	-
Camborne	-	-	Woods	Woods	Pickin	-	-
St. Agnes	-	-	Woods	*Rogers*	*Rogers*	-	-
Penzance	-	Plater	Plater	Brewer	Brewer	*Butterfield*	*Hawken*
Helston	-	-	Woledge	Kirkpatrick	Hawken	Hawken	Hawken
Falmouth	-	-	-	Woledge	*Pickin*	-	-
Truro	-	-	-	Hawken	-	-	-

Names in italics interpolated from Table 7.5.
Source: Boase 1890, as Table 7.3.

The first to be appointed was **Courtenay Clarke**, whose experience was different from the rest. Initially a candidate for general manager in January 1863, he was retained instead as a prospective branch manager.[1] After producing the reports mentioned above, he was successful in winning `fifty new accounts' for the bank, for which he received a bonus of £50 subject to approval.[2] He became the first manager at Redruth in April 1863, and was granted removal expenses of £25.[3] He fell out of favour, however, as early as June after the branch failed to perform satisfactorily; and in September was given three months' notice to quit.[4] Under his successor, the branch became viable; eventually moving into new premises.[5] Clarke had aimed high, but failed in the practicalities of starting a branch from scratch. The careers of the other varied personalities employed as managers in Cornwall are traced in Table 7.5 below. The board, in need of immediate expertise, recruited experienced professionals where it could.

[1] Barclays Group Archives (L&SW Bank), 0003-0107: Board Minute Book, 1862-1874, pages 12 and 17 (20 January and 3 February 1863).
[2] *Ibid*., page 33 (17 March 1863).
[3] *Ibid*., pages 48 and 52 (21 and 28 April 1863).
[4] *Ibid.*, pages 66, 68, 88, 96 and 98 (16 and 23 June, 25 August, 29 September, 6 October 1863).
[5] *Ibid.,* page 175 (7 October 1864).

Table 7.5

Careers of L & SW Bank managers who worked in Cornwall

Locations outside Cornwall are shown in italics.
Positions marked with an asterisk (*) were already occupied at the date stated.

Sources: Barclays Group Archives (L & SW Bank):
0003-0107, Board Minute Book, 1862-1874 **[B]**;
0003-0117, House Committee Minute Book, 1862-1874 **[H]**

Source/date/page	Position	Location	Salary p.a	Security	Benefits
William Brewer					
H: 25 Aug 1864, 88	Managership		£200	£2,000	
West Briton, 5 Jan 1866	Manager	Penzance (succeeding George Plater)			
H: 15 Oct 1867, 203	Manager	*Stepney*			housing £50 p.a.
H: 26 Nov 1868, 233	Manager	*Camden Town*			
John Butterfield					
H: 15 Oct 1867, 203	Acting manager, Penzance (seconded from Head Office)				
B: 17 Aug 1868, 348	Clerk	*Hampstead*			
George B. Hawken					
B: 14 May 1863, 54	Probation	Redruth	Nominal		
B: 11 Aug 1863, 83	Junior clerk	Redruth	£50	£500	
B: 20 Aug 1867, 318	`in temporary charge'	Helston	£70		
B: 22 Feb 1869, 361	Manager*	Penzance			
B: 27 Sep 1869, 387	Manager	*Clapham*	£120	£1,000	
Robert Fead Kirkpatrick					
B: 1 May 1866, 269	Manager	Helston	£100		housing £40 p.a.
B: 20 Aug 1867, 319	Manager	*Ottery St. Mary*			
B: 9 Jan 1868, 329	"	"	£120		
H: 7 Dec 1868, 234	"	"	£150		
B: 2 Mar 1871, 421: appealing against arrest warrant (circumstances not stated)					
George J. Pickin					
H: 6 Sep 1866, 167: From Derby: recommended by the General Manager					
H: 27 Sep 1866, 168	Manager	Redruth	£200	£2,000	
B: 23 Apr 1867, 307	Manager*	Redruth/Camborne			
H: 12 Sep 1867, 200	Manager*	Falmouth/*Ottery St. Mary*			
H: 15 Oct 1867, 203	Manager	*Clapham*			
B: 10 Aug 1869, 383	Manager	*Bristol*	£350		
George Plater					
The Cornish part of his career is unrecorded in these sources.					
James Rogers					
B: 17 Apr 1866, 268	Agent	St. Agnes	£30		

[Continued on next page]

Table 7.5 [continued]

Source/date/page	Position	Location	Salary p.a	Security	Benefits
Harry W. Woledge					
B: 16 Jun 1863, 65	Clerkship		£100	£1,000	
B: 7 Feb 1865, 199	Manager*	Helston	£140		
B: 30 Dec 1865, 253	Manager	Falmouth	£200		
B: 22 Jul 1869, 379	DECEASED				
Samuel Wilkinson Woods					
B: 16 Jun 1863, 66	Clerk	*Bristol*	£125	£1,000	
B: 26 Jan 1864, 122	"	"	£150		£30 bonus (a)
B: 16 Feb 1864, 128	Manager	Redruth			
B: 12 Apr 1864, 140	"	"	£250		
B: 3 Jan 1865, 190	Manager	Redruth/Camborne/St. Agnes			horse £40 p.a. (b)
H: 4 Oct 1866, 169	Manager	*Stepney*			
B: 23 July 1867, 316	RESIGNED				

(a) The bonus was `for past services'.
(b) His horse allowance was withdrawn on 17 April 1866, when Rogers became agent at St Agnes (see above). His salary when managing the three branches was £275 in February 1865, rising to £300 in July (**B:** 7 February 1865, 199).

William Brewer came from the Lewes Old Bank in Sussex;[1] but the services of Charles Michell, from the Glamorganshire Bank in Swansea, were not secured.[2] Higher salaries and benefits were paid to attract outsiders like Brewer; compared to, say, Hawken, who took six years and a move to London to attain just over half Brewer's salary in a managerial role. Others, like Woledge and Woods, appear to have been experienced clerks, and started at a higher, more remunerative, level. The long-term recruitment strategy, however, was to employ probationary clerks at a nominal salary for three or six months, before accepting them into full employment.

Some clerical careers starting in Cornwall are listed in Table 7.6. Clerks as well as managers could expect to be moved within a year or so; and in 1860s Cornwall, with emigration from the mining communities in full swing (Payton 1999, 257), it would be seen as an opportunity – turning to necessity as the branches closed, as it did for Arthur Dale at Truro.

[1] Barclays Group Archives (L&SW Bank), 0003-0107: House Committee Minute Book, 1862-1874, page 88 (25 August 1864).
[2] *Ibid.,* pages 18 and 19 (30 April 1863).

Whatever its image as a financial institution in Cornwall, the London & South Western Bank was seen by some, like Mr. Quick of Penzance, as offering good career prospects. A letter from him was received by the House Committee of the bank on 16 November 1865, regarding an appointment for his son William; this was referred to the General Manager.[1] The outcome was a probationary clerical position in the Penzance branch, leading to the career traced in Table 7.6. William made progress in London after two years; first at Head Office and then at the Regent Street branch. Once in London, however, opportunities broadened; Richard Lyth's resignation from his cashier's post at Camden Town may have been the result of a better offer in the City – or a desire to settle down without further moves, or return to Cornwall. Or he may have rejoined the bank later, as did John Williams, his erstwhile fellow clerk at Redruth.

Nobody, it seems, was recruited from private Cornish banks. Loyalty to employer and locality, enshrined in family firms with `confidential clerks' like John and Hodge at the Miners' Bank (sections 4.11, 6.2.7), held fast against the uncertainties of wider career prospects elsewhere. In Casson's terms, the London & South Western Bank was a new entrant in Cornish banking; but unable to `bid away' the expertise of established family firms (Casson 1999, 22). The overall levels of pay for clerical staff can be compared with data given by Armstrong: £160 per year was supposedly an average salary for a ledger clerk in 1861; while in a Cornish bank in 1890, £150 might be attained by a clerk after long service. The lowest grades in the West of England and South Wales District Bank at the time of its failure in 1878 received £65. By comparison, the London & Westminster, in its 1833 prospectus, thought £200 for a clerk and £700 for a manager appropriate (Armstrong 1937, 55-56). Heavy financial responsibilities were taken by the employees of a bank, who usually had to provide security against mistakes, errors of judgment and the possibility of fraud. In the Miners' Bank, this had been specified in the Agreement Quinquepartite (section 6.2.2).

[1] Barclays Group Archives (L&SW Bank), 0003-0117: House Committee Minute Book, 1862-1874, page 138 (16 November 1865)

Table 7.6
Some clerical careers with the London & South Western Bank
Locations outside Cornwall are shown in italics.
Positions marked with an asterisk (*) were already occupied at the date stated.

Sources: Barclays Group Archives (L & SW Bank):
0003-0107, Board Minute Book, 1862-1874 **[B]**;
0003-0117, House Committee Minute Book, 1862-1874 **[H]**

Source/Date/Page	Position	Location	Salary p.a.	Security
John Alfred Burgan				
H: 24 Aug 1865, 130	Clerk	Helston	£30	
B: 3 Mar 1868, 335	Clerk*	Penzance	£10 rise	
B: 10 Aug 1869, 383	Clerk*	*Bristol*	£10 rise	
B: 26 May 1870, 402	Clerk	*Regent Street*		
B: 24 Nov 1870, 414	Clerk	*Peckham*		
Arthur P. Dale				
H: 29 Nov 1866, 173	Clerk	Truro	£30	
Appointment after probation; `… it being understood that he be removed to another Branch'				
Samuel James				
B: 1 Nov 1864, 176	Probation	Redruth	Nominal	£500
John Lake				
B: 24 May 1864, 149	Probation	Redruth	Nominal	£500
B: 7 Sep 1864, 172	Clerk	Redruth	£30	
Richard J.G. Lyth				
H: 16 Nov 1865, 137	Probation	Redruth	Nominal	£500
B: 14 Aug 1866, 280	Clerk	Redruth	£30	
B: 16 Jun 1868, 344	Clerk*	*Stepney*	£10 rise	
H: 12 Apr 1869, 252	Cashier	*Camden Town*	£75	
B: 15 Jul 1872	RESIGNED			
(No pagination)				
William Henry Odger				
H: 13 Apr 1865, 113	Probation	Redruth	Nominal	£500
B: 22 Aug 1865, 234	Clerk	Redruth	£30	
H: 23 Nov 1868, 233	Clerk*	*Peckham*	£15 rise	
B: 24 Nov 1870, 414	Moved from	*Peckham*		
William H. Quick				
H: 27 Sep 1866, 169	Clerk	Penzance	£30 (from 1 July)	
B: 17 Sep 1867, 320	Clerk*	*Brighton*	£10 rise	
B: 24 Mar 1868, 336	Clerk*	*Head Office*	£10 rise	
H: 28 Sep 1868, 228	Clerk*	*Regent Street*	£10 rise	
John Williams				
B: 14 Aug 1866, 280	Clerk*	Redruth	£35	
B: 17 Sep 1867, 320	Clerk*	*Plymouth*	£10 rise	
H: 23 Nov 1868, 233	Clerk*	*Plymouth*	£10 rise	
B: 3 Aug 1871, 437	Clerkship (reappointed)		£65	£500

In the London & South Western, employees were required to take out a policy with the European Assurance Company [1] for the amount of security stipulated; the policy was held by the bank, and a claim made if it became necessary. Such `fidelity guarantees' were becoming a common practice more generally (Robb 1992, 136). This arrangement would have facilitated recruitment, as it was often difficult otherwise to find dependable security. In earlier times, the Bank of Ireland had insisted upon an `exceptionally high level of security payment' from its managers, possibly discouraging to new entrants (Ollerenshaw 1987, 35-36).

In Cornwall, difficult situations arose as employees struggled to square rigid procedures with the more informal accommodation expected by clients. Discrepancies were revealed in the fairly infrequent tours of inspection. The hapless Woledge received particular censure while at Falmouth - `Want of common care, and a total disregard of instructions have been exhibited by Mr. Woledge'.[2] He seems to have been unlucky in his dealings, assigning an insurance policy of his own to the bank after his death in 1869 to make amends.[3] Although Penwith was not the Transvaal, west Cornwall was too far away from the head office for central decision-making to be wholly effective; although it was the earlier experience of the Western District Banking Company, with its lack of central control (section 7.4), that more closely resembled that of the infant Standard Bank in remote southern Africa.

As noted by Rae and Thomas (Rae 1890, 200; Thomas, S.E, 1934a, I, 300), any bank as a newcomer tended to attract clients who had difficulty obtaining credit elsewhere. A salient example here is the overdraft granted to Boscaswell Mines, standing at £813 11s 3d in February 1869, with its secretary E.J. Boyns standing as security.[4]

[1] Barclays Group Archives (L&SW Bank), 0003-0117: House Committee Minute Book, 1862-1874, pages 18 and 19 (30 April 1863).
[1] *Ibid.*, 0003-0741: General Manager's Committee Book, 1863-1875, pages 91f (22 February and 1 March 1869).
[2] *Ibid.,* 0003-0107: Board Minute Book, 1862-1874, page 379 (22 July 1869).
[4] *Ibid.,* 0003-0741: General Manager's Committee Minute Book, 1863-1875, page 34 (25 June 1866).

Outwardly prosperous in the 1860s, with sales rising from £3,455 in 1868 to £12,303 in 1873 (Burt *et al* 1987, 41), it stopped abruptly in 1874, `heavily mortgaged' (Barton 1968, 59).

With their frequent moves, none of the London & South Western Bank's managers in Cornwall became prominent in the communities in which their branches were planted; none stayed long enough in any location to build up long-term relationships of trust with their clients. In west Cornwall, it might well have been regarded as a foreign bank, with few willing to trust outsiders in a faceless corporation run by strangers. Honour and trust were seen as vested in individuals, not joint-stock companies; and, by extension, in the partnerships which reflected their characters (Taylor 2006, 22, 23; Davidoff and Hall 1986, 208). Moreover, the time for limited liability had not yet come. It would have been a novelty in a mining and commercial culture still solidly built on the cost book system (section 6.2.1), in which high levels of risk were acceptable and customary.

The lack of managerial continuity at the London & South Western's branches prevented the accumulation of expertise in Cornish dealings in Cornish conditions. In west Cornwall, the London & South Western Bank can only be regarded as an unsuccessful corporate invader from outside. Ackrill and Hannah (2001, 70-71) make the point that there was no familial banking tradition in the bank; its heritage was entirely corporate. It was not building on what had gone before, as the Devon & Cornwall Bank (section 7.3) had done at its inception. Within the theoretical perspective being developed in this study, the London & South Western Bank was an entirely *gesellschaftlich* institution, engaging only at the transactional level in the layered landscape (section 5.1). In Casson's terms, it was the antithesis of the dynastic family firm; being based entirely on the development of recruited expertise (section 4.11).

Rather than taking chances amid the turbulent vicissitudes of industrial Cornwall, where risk was writ large for `up country' adventurers (Lewis 2006, 173), it was a safer strategy to grow the business closer to home with an

extensive network of branches in the expanding London suburbs; where steady and creditworthy tradespeople were serving the needs of a stable and growing residential market for goods and services; these busy traders were seriously inconvenienced by the lack of local banking facilities in their own areas (Matthews and Tuke 1926, 351-352). Ignored by the other banks, there were in the 1860s no facilities between the Elephant & Castle and Croydon, or between the Euston Road and Watford (L&SW Bank 1913, 8).

The great advantage of the London suburbs for the bank was that everyone was still a newcomer, in newly-developed areas with no engrained commercial practices and attitudes. With a continual influx of new customers, the bank could insist on its own terms of business. With a dense and growing branch network close to Head Office, it was easy to call individual managers to account; and staff could move easily from branch to branch without changing their residence. There were 25 branches in 1875 and 124 by 1900 (L&SW Bank 1913, 9, 11). The London & South Western ultimately amalgamated with its great and comparable rival, the London & Provincial Bank, on 1 January 1918; forming the London Provincial & South Western Bank Ltd, which in turn merged with Barclays in October of that year (Matthews and Tuke 1926, 342, 358).

In summary: the London & South Western Bank was the antithesis of all that had gone before in Cornish banking practice. It had no *gemeinschaftlich* heritage; instead, its corporate nature stemmed in an exemplary manner from the principles of *Gesellschaft* (section 4.2). With no customer base and no branches at its inception, it also lacked the mutual trust inherent in a private partnership. Instead, trust had to be cultivated institutionally in a formal organization, with attractive career opportunities, whose managers would apply rather than interpret set procedures in varied locations. Exhibiting the features of *Gesellschaft* listed in Table 4.1, its relations were entirely formal and legalistic, with little opportunity for social affinities to develop; accountable to its shareholders for its capital, it did not accumulate less-tangible social wealth in its dealings. Decision-making, above all in the extension of credit, was dictated by external principles, rather than accommodating the subjective merits of

individual cases. Its managers in Cornwall were often compromised in their dealings, and censured accordingly; later careers in the London suburbs were for some shortened by resignation (Table 7.5), although other opportunities may have beckoned.

CHAPTER 8

Private banking in a corporatizing world, *circa* 1840-1879

8.1 The Launceston and Tavistock Banks: natural growth and sustainable development in the Tamar valley

The disintegration of the Western District *cum* Ricketts & Enthoven agglomeration (section 7.4), and the slow expansion of the Devon & Cornwall Bank (section 7.3), both demonstrate that there was a sustainable size for banking enterprises in any given period; and also a sustainable rate of corporate development and growth. These would be determined in the layered landscape by spatial factors – population distribution, communications, and location of economic activity – and also by the reach of the institution's radius of trust. This could be expressed in the extent or prominence of its note circulation, as in the case of the East Cornwall Bank (section 6.4); or by the range and quality of its transactions.

The Tamar separates Cornwall from England; but the river itself was a unifying factor in the commerce of the valley as a whole in former times, when it carried its traffic from Morwellham and Calstock. An overview of the region is given by Booker (1967, 13-53). The Tavistock Bank, established since 1791, opened its first branch in 1818 in the developing port of Morwellham; another followed upstream in Launceston in 1832 (Boase 1890, cols. 1334, 1345-1346). Its authorized note issue in 1844 of £13,421 was high compared to other similar banks, suggesting that its circulation may have dominated the trade of the district by that date, although it declined afterwards (Table 7.2). By the 1860s, the area was still prosperous, but change was in the air (Booker 1967, 31).

Negotiations for a takeover by the London & South Western Bank were begun in 1865, but came to nothing.[1] Two more Cornish branches followed in 1879, at Calstock and Gunnislake; possibly at the instigation of Reginald Morshead of nearby Kelly, who became a partner in 1875 (Boase 1890, cols. 1329, 1332, 1346). By the time it was eventually absorbed by Fox, Fowler & Co. in 1889 (Armstrong 1937, 154), it had become a mature and compact network of branches and agencies, operating in a distinct geographic and economic area around the Tamar valley; but possibly overdependent on the changing fortunes of the locality. The sustainable size of a banking enterprise was now becoming larger; there was a need to expand beyond the bounds of the home district, and become independent of declining fortunes.

Richard Dingley (died 1867) had been the Tavistock Bank's agent in Launceston from 1839 until 1855; he then stood down to join in the formation of a new Launceston Bank. The partners with Dingley were solicitors: George Graham White (1825-1889),[2] John Dingley (died 1885), and Richard Dingley's son-in-law Edward Pethybridge (1822-1907).[3] There were offices in Stratton and Callington from the beginning; and another in Camelford from 1863. Otherwise, in a border town, the outlook was eastwards into Devon; with representation in Hatherleigh and Holsworthy (1855), Moretonhampstead (1859), and Tavistock in 1865 (Boase 1890, col. 1335). An Okehampton office was opened in 1856 on the initiative of John Pearse (also a solicitor), who became a fifth partner: the firm was known there as Dingley, Pearse & Co. (Boase 1890, col. 1339). There was no note issue, as this was disallowed to new banks after 1844 (section 7.5.1). The firm's pre-existent legal reputation enabled its branch network to follow the existing infrastructural trading patterns; railways came late and somewhat ineffectually to this area (Thomas, D.StJ, 1973, 101-106).

[1] Barclays Group Archives (L&SW Bank), 0003-0107: Board Minute Book, 1862-1874, pages 242 and 243 (24 & 31 October 1864).
[2] http://www.launcestonthen.co.uk/georgegrahamwhite.html, accessed 30 April 2015
[3] http://www.launcestonthen.co.uk/edwardpethybridge.html, accessed 30 April 2015

The bank was sufficient to serve its localities in a manner that was sustainable until the very end of Cornish banking (section 9.6).

8.2 New private banks in Cornwall after 1860

Bagehot's reasonable assumption in 1873, echoing contemporary financial opinion, was that in general terms the age of the private bank was passing; and that no new institutions of this type were likely to appear. Secrecy and reputation, he thought, could not compete with the published openness of joint-stock banking; while wealthy individuals no longer needed to risk their fortunes in a corporatizing world in which there were many investment opportunities with guaranteed returns (Bagehot 1999 [1873], 267-271). Accordingly, Armstrong is surprised to note that in Cornwall between 1860 and 1880, three completely new private banks and nearly thirty branches and agencies of private banks were started, compared with only five joint-stock offices (Armstrong 1937, 15).

Notwithstanding the rising tide of corporatism elsewhere in Britain (Cottrell 2004, 261-267), the typical Cornish bank in the 1860s was still the private partnership. The slow but successful expansion of the Devon & Cornwall Bank was less apparent than the rapid withdrawal of the London & South Western Bank from Cornwall, as recounted above (sections 7.3, 7.6). Those who wanted something more than the established institutions were willing or able to offer were still able to set up their own banks for their own purposes, attuned to meeting the unsatisfied demand. What amounted to something of a new wave of private bank formation occurred in Cornwall from 1863 onwards.

In common with new joint-stock ventures like the London & South Western (section 7.6), private banks formed in later periods were beginning operations in a maturing financial services sector. Challenging the accumulated experience of established banking personalities and their institutions, they had to promote and build on other assured individual commercial or legal reputations which might be new to banking. Rae points out the operational difficulties:

- The new bank, reluctant to decline custom, might become a welcome refuge for marginal or risky business;
- Clients dissatisfied with their present arrangements might willingly transfer their allegiances; but it would otherwise only be able to attract established banking customers with higher interest rates, lower charges, and easier credit. Its ambition would be to tap into an expanding market of new bank users (Rae 1890, 192-196).

Several towns throughout Britain had `old banks' and `new banks' that were the longstanding results of historical challenges to established institutions; for example, in Banbury (Pressnell 1956, 33). In the 1860s, the Cornish experiences recounted in this chapter shows that larger, multibranch banks like the East Cornwall and Devon & Cornwall could still be challenged by new private firms that sought to exploit their shortcomings; but this was increasingly difficult to do as time went on, and the increasing size of institutions and larger and more demanding customers raised the barriers to entry.

Another part of this trend, as in Liskeard, was `district' banking, in which a new institution sought to serve the wider interests of a specific area with branches and agencies, rather than just the narrower objectives of the partners and their close business associates. This definition contrasts with that of Newton and Cottrell (1998, 118), who use the term to denote any joint-stock bank aiming to set up a regional branch network. The Liskeard District Bank and the related South Cornwall Bank, with their closely-interlocking partnerships, were organized specifically to serve their adjacent areas in a complementary manner (section 8.4). Their appearance was countered by the East Cornwall Bank's branch and agency development (section 6.4) which displayed similar characteristics, with its strategic targeting of specific areas following the growth patterns of its note circulation.

On the other hand the Redruth District Bank, a latecomer in 1879, was at first vociferously trying to occupy the localized geographical and commercial space vacated by the failed Cornish Bank (see section 8.7). By the time they were all

swept up in the amalgamation movement in the 1890s, the `district' bank had become the aspirational form of banking organization in Cornwall, as it had elsewhere; with banks seeking comprehensive and manageable geographical coverage to diversify their customer bases; this is discussed in section 9.4 below. The much earlier Western District Banking Company of the 1830s and 1840s cannot be so categorized, despite its title; as already discussed above (section 7.4), its head office in Devonport was too remote from its operations in west Cornwall to sustain a successful `district' banking operation.

There is thus the beginning of a cyclical progression discernible in institutional development. From diverse origins, as recounted severally in chapter 6, business practices became rationalized into successful mainstream banks, which in time could lead to dissatisfactions among partners or customers, and the establishment of new partnerships and new institutions addressing unsatisfied needs in new ways, maybe through becoming specialists in niche markets (as the St. Austell Bank was already doing; see section 6.4.4), or by what is being identified here as `district' banking, with the greater opportunities provided by a broader but still local customer base.

Nevertheless, times were changing. While as private institutions the West Cornwall, South Cornwall and Liskeard District Banks quickly achieved success as newcomers, this chapter also discusses the decline and gradual fall of the old order of private family banking, as it occurred over many years of struggling enterprise in Helston (section 8.6). The accountability of the St. Columb Bank, which failed in 1866, is considered in section 8.5.

8.3 The West Cornwall Bank of John Michael Williams

As related above (section 6.3.2), John Michael Williams broke away from the Cornish Bank, taking its Redruth branch to set up his own banking business as part of the settlement of a deep rift in the Williams family. The West Cornwall Bank of J.M. Williams & Co. commenced operations from 1 January 1863.

Although driven by the charisma of Williams, Henry Grylls of Redruth (1800-1886) was the managing partner; with his son William Michell Grylls (1829-1911) joining in 1865 (Boase 1890, col. 1342). Henry's father was Thomas Grylls of Penzance (1775-1836); a different branch of the family was concerned in the Helston Union Bank (section 8.6).

In June 1866, the Falmouth branch of the failed St. Columb Bank (section 8.5) passed to J.M. Williams & Co.; with continuity provided by the long-serving William Phillips, retained as sub-manager to Henry Grylls. The partnership in the West Cornwall Bank was dissolved in November 1877, seemingly echoing the events of December 1862: the Falmouth branch became a separate and independent business as Williams, Williams & Grylls; while the title of `West Cornwall Bank' was retained by J.M. Williams in Redruth, as he went his own way once again as sole proprietor. After his death on 16 February 1880, the West Cornwall Bank was managed until 1884 by his executors, Elizabeth Maria Williams (his widow, died 24 May 1884) and John Cady of Swansea (Boase 1890, col. 1342; Dawes and Selwyn 2010, 126).

The partners in the new Falmouth business of Williams, Williams and Grylls were Michael Henry Williams and George Williams of Scorrier House (brothers of John Michael Williams - section 6.3.2, Table 6.14), with Henry Grylls and William Michell Grylls (managing partner). John Henry Bawden became manager in 1887. The business was expanding, with a branch in Penryn in March 1878 (Boase 1890, cols. 1331-1332, 1339); and another started in Truro in January 1879 (section 9.1). Another compact branch network was being built up, coincidentally in the same towns in which the Cornish Bank operated. In June 1884, following the death of Mrs. Williams, the business and name of the West Cornwall Bank was acquired by Williams, Williams & Grylls (Boase 1890, col. 1332). The administrative competence of the Grylls family thus eventually succeeded to the dominating charisma of John Michael Williams; an illustration of Weber's `legal-rational' succession to charismatic energy (section 4.3).

In the darkening days of October 1878, the Bank of England became very interested in the liquidity and creditworthiness of both John Michael Williams and the separated and expanding Falmouth concern; and asked its Plymouth agent, Charles Kelland Lee, to report. `Mr. J.M. Williams has the reputation & is believed to be a man of very considerable property, having a large estate at Scorrier'. His brothers, Michael Henry and George, were `said to have property'; but he was `unable to speak of the means of the Messrs. Grylls.' In closing, he remarked that `in consequence of the extreme depression in the Mining Interest, the Cornish Bankers must of necessity be under enormous advances, which money must for the present be locked up unavailable as it is well known that very few Mines are paying expenses'.[1] Notwithstanding this equivocal reference, the reconstituted West Cornwall Bank successfully made its way towards amalgamation with the Consolidated Bank in 1890.

8.4 The South Cornwall Bank and the Liskeard District Bank

The South Cornwall Bank and the Liskeard District Bank were both begun in 1864, in contiguous districts, and sharing some of their partners; although the subsequent development of these two latter-day private banks became very divergent. The South Cornwall Bank (Willyams, Treffry, West & Co.) had the benefit of the wealth and prestige of the participation of Edward William Brydges Willyams, who remained a partner in the Miners' Bank in Truro while lending his expertise and capital to this new venture in St. Austell - in an area in which the Miners' Bank did not operate. It was started on 2 May 1864 in High Cross, St. Austell, using the former premises of the St. Austell Savings Bank (Armstrong 1937, 15). The other partners were the Rev. Edward John Treffry LLD of Place House, Fowey (died. 1880 or 1886); and William West (1801-1879), an `ironfounder and mine owner' of Tredenham, St. Blazey: alongside Peter Clymo, prominent figures in the local industry[2] and community.

[1] Bank of England Archive (Plymouth Letter Books), C145/9: memo GL18152 (4 October 1878).
[2] They were involved at the Cuddra mine in 1862: *West Briton,* 7 March 1862, 5.

They were aiming to form a bank better able to serve the particular needs of a local economy expanding with the development of the china clay industry. The manager was George Petherick, formerly of the Devon & Cornwall Bank. He was succeeded in 1880 by William James Adams; who had managed the bank's only branch, in Fowey, which had also opened in 1864. E.J. Treffry was succeeded by his son Charles Ebenezer Treffry in 1881, when the partnership became Willyams, Treffry & Co. The bank became a constituent of the Consolidated Bank of Cornwall on 19 August 1890. Its London agents had been Robarts, Lubbock & Co. (Boase 1890, cols. 1332, 1343; Matthews and Tuke 1926, 253, 260-261).

The Liskeard District Bank was opened on 1 July 1864 in Barras Street, Liskeard by Clymo, Treffry, Hawke, West, Burgess & Co.: in which the partners were Peter Clymo (Liskeard, 1802-1870);[1] Edward John Treffry and William West, who were also partners in the South Cornwall Bank; Richard Hawke (Liskeard, *c.*1824-1887), also (with Clymo) a director of the Liskeard & Caradon Railway (Messenger 2015, 142); and Edward Burgess from Camborne. The first agency was started the same year in East Looe (Boase 1890, col. 1336); other outlets followed in Bodmin in 1865 and Camelford in 1867 (Boase 1890, cols. 1329, 1330). Mary Clymo (born 1810) and William Polkinghorne of Tywardreath became partners in 1875 (Boase 1890, col. 1336). William West (1801-June 1879) was a mining engineer and millwright, who had been employed in his earlier career by the Bolitho family, and by Joseph Treffry at Fowey Consols. Andrew Vivian had been his mentor in his early years.[2] A deed of release and indemnity dated 1 October 1879 [3] states that Edward Burgess ceased to be a partner in 1878; that an agency was opened in Wadebridge in May 1879 (confirming Boase 1890, col. 1336); and that William and Charles West became partners with effect from 16 June 1879.

[1] http://www.celtic-casimir.com/webtree/746.htm accessed 28 March 2013, gives genealogical information on the Clymos.
[2] http://www.gracesguide.co.uk/William_West_(1801-1879) citing Institute of Civil Engineers, obituary, 1880; accessed 17 March 2014.
[3] CRO (Liskeard, St. Keyne, Lezant & Menheniot), X556/145: deed of release and indemnity (1 October 1879).

Richard Hawke gave up his interest in the bank at this date; but remained a partner. He was bought out for £1,000, including a consideration for `goodwill'. He became chairman of the new Commercial Bank in 1881 (section 9.3.1).

Mary Clymo's late husband Peter had been a magistrate and twice mayor of Liskeard, and prominent in Cornish freemasonry; a director of the Liskeard and Looe Union Canal as well as the Liskeard and Caradon Railway. Most of their wealth came from the expanding local mining area; manager at both South Caradon and Wheal Mary Ann from 1859 (Burt *et al* 1987, 83, 303) until prevented by illness, he was an invalid for the last three years of his life. Around 1,100 people took part in his funeral procession, headed by his miners; most shops in Liskeard were closed.[1] His wife and successor at the bank can be envisaged as helping out at first before becoming a partner later at the age of 65. Reorganized as the Western Counties Bank Ltd in 1885; she was not named among the directors (section 9.3.2.1).

The Liskeard District Bank had been instigated by individuals in the mining industry, on the fringes of industrial finance. It was an enterprise recalling the formative period of the early nineteenth century when Andrew Vivian, mine agent, captain and innovator, had dabbled in banking on the ground in Camborne; rather than the preceding generation, which had seen big money and London connections begin the Miners' Bank (sections 6.1, 6.2.2). The difference from Vivian's experience was that Clymo and West had the advantage of substantial and knowledgeable partners in their banking business, backed by the accumulated expertise of Cornish banking over several decades.

8.5 Accountability and the failure of the St. Columb Bank

By 1874, alongside many other joint-stock banks accountable to questioning shareholders rather than confidential partners, the Devon & Cornwall Bank was regularly publishing its financial results (Dun 1876, 46-47, 50-51).

[1] Account and obituary, *West Briton,* 4 August 1870, 5.

Yet public accountability, in the modern sense of opening up a business to outside audit and scrutiny, was very slow in gaining acceptance. In the private partnerships, ongoing reputations enhanced and sustained by professional conduct remained the basis of public confidence. However, reputation could quickly become no more than the hollow shell of public image, as became apparent in the failure of the St. Columb Bank in 1866.

Hawkey, Nicholls & Co. began in 1847 with a capital of £8,000, trading as the St. Columb Bank in Bank Street, St. Columb; the associated Falmouth branch traded as the Falmouth Bank. Both had been branches of Ricketts, Enthoven & Co. (section 7.3). A Padstow agency was started in 1848, becoming a branch in 1864 (Boase 1890, cols. 1339, 1344). The partnership succession is shown in Table 8.1.

Table 8.1

First copartnership in the St. Columb Bank

Fixed term for fourteen years, 1847-1860; Hawkey, Nicholls & Co

Thomas Theophilus Hawkey	d. 1851 (a)	Capital	£2,000
John Nicholls	d. *circa* 1875		£3,000
James Hawke	d. before 1866 (b)		£3,000
Thomas Whitford (c)	d. 1864		nil

(a) Following the death of T.T. Hawkey in 1851, Thomas Whitford and his cousin, another Thomas Whitford and also a solicitor, became his trustees in the partnership.
(b) A woolstapler and merchant of St. Columb. His share was inherited by Charles Hawke, who was not connected with the bank.
(c) Managing partner; he was previously employed by Ricketts & Enthoven at St. Columb.

Source: Boase 1890, cols. 1344, 1345

This copartnership did not run its full term. In 1856, John Nicholls was obliged to file a bill in Chancery to obtain inspection of the accounts; and by June 1859 was no longer connected with the St. Columb Bank, the firm now being styled Hawkey, Whitford & Co., with partners as shown in Table 8.2.

Table 8.2
Second Copartnership in the St. Columb Bank
Hawkey, Whitford & Co., 1859-1866

Thomas Whitford and Thomas Whitford (executors of T.T. Hawkey)
George Browne Collins (solicitor)
Henry Whitford (solicitor, son of Thomas)

After 1864

Frances Moyse and Elizabeth Smith Burridge (executors of Thomas Whitford)
Elizabeth Burridge married Samuel Thornton of Birmingham on 6 December 1865.

Edwin Carter
Formerly a clerk with Ricketts & Enthoven at Truro, and then with Tweedy, Williams before becoming clerk in the St. Columb Bank.

Source: Boase 1890, cols. 1344, 1345.

The failure of Overend, Gurney & Co. in London on 11 May 1866 triggered one of the worst financial crises of the century. There was a third suspension of the Bank Charter Act; and an eventual realization that stability was not achievable through the regulation of note issues and the supply of money alone, but on the maintenance of adequate reserves in the system (Bagehot 1999 [1873], 160-207; Clapham 1932, 375-377). On 9 June, Hawkey, Whitford & Co. stopped payment following the suspension of their agents, Agra & Masterman's Bank Ltd., and the ending of any further credit in London. The Agra and United Service Bank was a joint-stock venture formed in 1855 in India, with which Masterman & Co., an old-established private bank, was amalgamated in 1865 (Hilton Price 1891, 1, 113).

The St. Columb Bank lacked liquidity. Its portfolio included some doubtful and unrealizable assets. The accounting was defective; and loans were frozen in real estate, clayworks, and a bed of `white carbonate of iron'. Its strategy of increasing deposits through offering a high rate of interest (4%)[1] gave it something of the function and popularity, but not the substance, of a savings bank (Armstrong 1937, 20). It could only enhance the bank's public image in the short term while increasing its liabilities.

[1] Trustee Savings Banks were paying 3% at this time, and the Post Office 2½% (Armstrong 1937, 98-99).

Solicitors turned bankers (but somehow lacking the acumen of Dingley, White and Pethybridge in Launceston – section 8.1), the partners traded on their individual reputations, maintaining their liquidity through a dependence on their London agent, which itself was becoming involved in early 1866 with some illiquid financial and property interests in France. A long notice appeared in the *West Briton* in March 1866 on behalf of Agra & Masterman's, Credit Foncier and Mobilier of England Ltd., and the National Bank, inviting applications for shares in the Imperial Land Company of Marseilles Ltd.[1] Demand for bank shares as an attractive form of investment to some extent fuelled the speculation of the early 1860s, with inflated share prices collapsing in early 1866: Agra and Masterman's Bank failed after small investors sold up to avoid exposure to its risky foreign involvements (Anderson and Cottrell 1975, 614; Kindleberger and Aliber 2011, 97). Its paid-up capital had been £1,500,000, with a reserve of £500,000; liabilities at failure were £15,582,002 (Hilton Price 1891, 1).

Table 8.3

Mines owned by Thomas Whitford and his successors

Source: Burt *et al,* 1987; page numbers as indicated
Ownership: C = Carter, E = Executors, W = Whitford

Mine	Parish	Owned	Page	Output in years owned (where known)			
				1863	1864	1865	1866
Deer Park	Newlyn East	CE	160				
Indian Queens	St. Columb	WC	248	£236			
Nantallon	Lanivet	CE	320				
Perran Iron	Perranzabuloe	CE	356				£40
Treamble	Perranzabuloe	CE	486		£55		
Trebisken	Perranzabuloe	CE	489		£719	£1548	
Tregaume	St. Breock	CE	492				
Treliver	St. Columb	CE	503				

The interest of the late Thomas Whitford in the local iron mines had been enlarged by his executors and Edwin Carter, as summarized in Table 8.3. Besides his ownership at Indian Queens, Whitford was purser at Mount no. 1 mine in Perranzabuloe from 1860 to 1863, with Carter following as secretary in 1864 and 1865, and `Masterman & Co' in 1866.

[1] *West Briton*, 2 March 1866, 4, and Clapham (1932, 359) list some other interests of the `imposing' Credit Foncier (Kindleberger and Aliber 2011, 97).

The reconstituted Agra Banking Company[1] owned it from 1873 to 1877; output was valued at £1,681 in 1873. Whitford had moreover been secretary of the Perranzabuloe Iron Mine in 1859. The Agra Bank also owned Trebisken from 1872 to 1874; total sales were £8,859 for those years (Burt *et al* 1987, 315, 358, 489). The output figures given in Table 8.3 are inconclusive indicators of viability; as iron deposits were usually small and quickly exhausted (Burt *et al* 1987, xxxi). The Agra Bank struck lucky at Trebisken; which became one of the largest iron producers, relatively speaking, in Cornwall.

The liabilities of Hawkey, Whitford & Co. were £153,627 15s 6d, and the assets £135,336 0s 4d, giving an estimated deficit of £18,291 15s 2d. With the books in arrears, the creditors' meeting could not be held until 6 July. The firm was wound up by agreement, with a first dividend of 5s in the £ (25%) paid on 17 October. The creditors included the holders of some large deposit accounts. Several farmers had balances in excess of £1,000 (Armstrong 1937, 94); and Wheal Seton had deposited cash reserves of £4,000 (Morrison 1980, 331). Most of the business thereafter was taken up by the Miners' Bank in St. Columb (section 6.2.7); while the Falmouth branch passed to the West Cornwall Bank of J.M. Williams & Co. (section 8.3). The receivers in the liquidation were C.F. Kemp, Cannon, Ford & Co., London accountants, with local trustees (Boase 1890, cols. 1331, 1339, 1344-1345).

The position of Elizabeth Smith Thornton, as she had become, was equivocal. A separate Deed of Assignment (no. 19259), dated 7 August 1866,[2] recognized that she had only acted `to some extent' as a partner in the bank; it regularized her affairs in the winding-up of her independent estate, and determined the extent of her husband's liability.

[1] Its suspension in the event was temporary. The reorganized Agra Bank opened in its former offices on 7 January 1867, with its Indian connections maintained; a generally-welcomed move: *Bankers' Magazine,* 27 (1867), 204, 441-445. It became a limited company in 1876 (Hilton Price 1891, 320, 345).
[2] *London Gazette,* 4 September 1866.

8.6 Declension of the old order in Helston

The fortunes of the two Helston banks became equal in their failures in 1876 and 1879; both were afflicted by organizational difficulties, and both were trying to make a living amid the failing fortunes of the local mining industry in Wendron and the surrounding parishes, which by the 1870s was becoming more precarious and more speculative. The New Trumpet and Lovell United venture (1870-1876) is one short-lived example of a new project which was encouraged by a brief resurgence in tin prices (Barton 1968, 114-129). Both the Helston banks epitomized the shortcomings of small-scale banking carried on in a small area in decline, with limited commercial scope and little innovation in organizational practice.

8.6.1 Early years of the Helston Union Bank

The origins of the Helston Union Bank were in 1788 with Glynn & Co.; although it was Thomas Grylls (1760-1813) who was essentially the founder, together with Matthew Grylls (died before 1812 [1]). The Helston Union Bank proper may have begun with the absorption of Penberthy's business after 1810 (section 6.1; Hicks 1950-1951, 184; Dawes and Selwyn 2010, 124). From 1813,[2] Humphry Millet Grylls and John Trevenen were the partners, until Trevenen's death in 1825. John Vivian (formerly known as John Tippett), solicitor and brother-in-law of Grylls, became a partner on 1 December of that year; together with George Simon Borlase (another brother-in-law), and John Kendall (originally a clerk in the bank); the firm became Grylls, Vivian & Co., in the familiar form with a legal practice running alongside the bank (Boase 1890, col. 1332; Armstrong 1937, 27; Hamilton Jenkin 1962, 189).

[1] The date of a document mentioning Thomas as the `surviving partner': CRO (Grylls) GR/340: conveyance, Grylls to Borlase (3 January 1812).

[2] The date of Thomas Grylls' will as recited in CRO (Ratcliffe & Henderson), RH/1/1076/1, 2: lease and release, Grylls to Hill (12/13 June 1837). This document mentions that he had provided £4,000 each in trust as marriage portions for his daughters Cordelia, Meliora, Emily, Caroline and Loveday.

Humphry Millet Grylls had been a prominent public figure in Helston, having prevented mass unemployment with his rescue of Wheal Vor in 1830; and is commemorated in the monument in Coinagehall Street in Helston. The circumstances of the rescue, however, were dubious. Grylls and Vivian were the liquidators of the mine when its owners, the Gundry family from Goldsithney (who had also acted as bankers – section 6.1), became bankrupt; but as liquidators their purchase of it, even though it was an act of rescue, was technically illegal. It was challenged in law by the Gundrys; a long-running case which resulted in the ruin of the mine in seven years: it was rapidly worked out without further development to minimize the payoff (Hamilton Jenkin 1962, 189-190). After the death of Humphry Millet Grylls in 1834, a new and unsatisfactory deed of partnership was drawn up, which troubled the bank to the detriment of its performance for decades; it ultimately resulted in three Chancery suits and a loss of public confidence. A compromise was eventually reached in 1870. The firm became Vivian, Borlase & Co. in 1835, with John Kendall as managing partner; and in 1838, Glynn Grylls, who was also a solicitor, joined the bank (Boase 1890, col. 1332). The succession of partners is as shown in Table 8.4.

Table 8.4
Partnership succession in the Helston Union Bank

Thomas and Mary Millet Grylls

Humphry Millet Grylls (1789-1834)	Cordelia Grylls (1794-1885) = John Vivian (d. 1854)	Glynn Grylls (1800-1866)
	Rev. John Vivian	James Edward Vivian

PARTNERSHIP SUMMARY TO 1854
1788: Glynn & Co.
1813: Grylls & Trevenen
1825: Grylls, Vivian & Co: Humphry Millet Grylls, John Vivian, John Kendall, and George Simon Borlase (*son of Elizabeth Bolitho: see Table 6.12*)
1835: Vivian, Borlase & Co: John Kendall, John Vivian and George Simon Borlase
1837: Death of Borlase; succeeded by Glynn Grylls
1854: Deaths of John Vivian and John Kendall; Cordelia Vivian joins the partnership.

Source: information in text; Boase 1890, col. 1332

It was a separate branch of the Grylls family who were involved with John Michael Williams in the West Cornwall Bank (section 8.2). The narrative of the Helston Union Bank is continued in section 8.6.3 below.

8.6.2 Rise and fall of the Helston Banking Company

As the Helston Union Bank entered its dysfunctional period, the Helston Joint-Stock Banking Company was founded on 8 August 1836 by fifteen resident professionals and tradesmen, with Thomas Rogers (a solicitor) as managing director; and T. Smith as manager, succeeded in 1839 by James Ellis (Boase 1890, col. 1333). It was an early player in the new corporate field created by the 1826 legislation (section 7.1). The nominal capital was £100,000 in £100 shares; although Armstrong thinks that this was unlikely to have been fully subscribed (Armstrong 1937, 22). The firm became the Helston Banking Company in the following year. Although constituted as a joint-stock bank, for which no precedent existed in Helston, in practice it operated more like a private partnership; that is, socially-constructed on the basis of trust and familial reputation; Armstrong actually treats it as such. The small number of shareholders would have been well-known to the management, who would likewise have been familiar to the shareholders.

Outwardly, the bank had all the appearances of a steady business with a stable management; for Thomas Rogers continued as managing director until his death on 24 May 1876, being succeeded by Thomas Hyne Edwards (Boase 1890, col. 1333). The competence and trustworthiness of the management seemed to be taken for granted, to the extent that the shareholders appeared to lose interest in the progress of their investment; the accounts were never audited (Armstrong 1937, 23). Delegation of executive responsibility was complete.

This trust was misplaced. On 21 August 1876, James Ellis resigned as manager when £9,219 could not be accounted for. William Montague Cudlip was

promoted from clerk to manager in his place. On 28 December, the bank suspended payment, following the `refusal of its London bankers to cash cheques after 31 December' (Boase 1890, col. 1333). The liabilities to depositors amounted to £27,876 16s 1d; to current accounts, £9117 7s 1d; to London agents, £2,500; to notes in circulation, £1,765:[1] total £41,259 3s 2d. Its dubious assets were its extensive mining loans, practically the only investment outlet for funds in the area. The bad debts accumulated in forty years' trading were estimated to have been between £30,000 and £40,000. Possibly the apparent ability to absorb these losses had encouraged continuing public confidence in the bank; the many savings deposited represented over 67% of the liabilities.

The unaudited capital had been eroded by withdrawals and fraud. An investigation committee of nine was appointed on 8 January 1877 to wind up the bank, with the creditors' meeting taking place on 24 January. Henry Rogers, a solicitor and son of Thomas Rogers, settled at 10s in the £ (50%) for the whole of the business, in bills at 3, 6 and 9 months. The liquidation was completed in 1878 (all details from Boase 1890 col. 1333[2]). The Mounts Bay Bank became the successor to the failed Helston Banking Company, with John Garland Shackerley as manager, and took on most of its business (Boase 1890, cols. 1334, 1340). Although many had lost half their savings, there was said to be `no serious distress' consequent to the failure (Armstrong 1937, 23).

8.6.3 Cordelia Vivian and the final years of the Helston Union Bank

Cordelia Grylls had married John Tippett in 1817; who changed his name to Vivian in 1820 as a condition of inheriting the Vivian estate at Pencalenick (section 8.6.1). In 1854, at the age of 60, Cordelia Vivian succeeded her late husband as partner in the Helston Union Bank.

[1] This was in excess of its authorized issue of £1,503 (Table 7.2).
[2] Citing *West Briton*, 4 January 1877, 4, 7; 11 January 1877, 4, 6; 25 January 1877, 4

John Kendall junior was made a partner the following year. In 1868, the bank was being managed by Vivian, Grylls, Kendall & Co. (Hicks 1952, 472, 477). Following Kendall's death in 1872, Mrs. Vivian was the sole surviving partner, when she was 78; and was joined the following year by her son James Edward Vivian, a London merchant (Table 8.4). In Casson's, and Schreyögg and Sydow's, terms (sections 4.10, 4.11) he may have joined at a possible critical juncture in the fortunes of the bank (section 10.1.5); a filial commitment to its continuation as a dynastic institution serving loyal customers. Edward Pownall Kendall, nephew of John Kendall, became manager in 1877 (Boase 1890, col. 1332). He was also actuary of the Helston Savings Bank, prospering in contrast to the ailing commercial banks. In July 1878, £81,809 was on deposit; assets had increased by £21,974 over ten years.[1] Mining was in decline; but family incomes were supported by remittances from miners abroad in `greater Cornwall' (Magee and Thompson 2005; 2006, 178, 181-185, 193-194; Payton 1999, 346-347).

On 4 February 1879, in the wake of the Cornish Bank closure (section 9.1), the Helston Union Bank suspended payment, with liabilities of £122,000 and a £15,000 deficit. £19,000 was owing to the Union Bank of London, £65,835 was due to depositors, and £13,438 owing on current accounts. The estimated assets included £2,982 cash, debtors estimated at £16,275, and £45,602 from Mrs. Vivian's estate; total £64,731. J.E. Vivian's estate showed no surplus; most likely consumed by his commitment to the bank. The bad debts of the bank amounted to £109,583. Saleable assets totalled £33,208 (all details from Boase 1890, cols, 1332-1333 [2]). `The bank had been carried on at a loss for many years; Mrs. Vivian had drawn nothing but had always paid her income into the bank and had lived in the most economical manner' (Boase 1890, col. 1332). Her finances had been extended by mortgaging parts of the extensive Vivian estate.

[1] *Royal Cornwall Gazette,* 18 July 1878, 5; 1 August 1878, 3

[2] Citing *Bankers' Magazine*, March 1879, 273, May 1879, 424, June 1879, 509; *Cornish Telegraph*, 4 February 1879, 5; *Cornishman*, 9 March 1879.

The largest liability of this kind was a mortgage for £12,500 contracted in 1868 with Arthur Prime (Sussex), George Thomas Mowbray (Leicestershire), and Thomas Beale Browne (Gloucestershire).[1] The liquidators of the bank and of Mrs. Vivian's estate were Frederick Whinney and Thomas Chirgwin, concurrently engaged in the reconstruction of the Cornish Bank (sections 9.1, 9.2). There was no fraud or speculation involved, however; and the failure was ascribed to the general collapse of the local mining industry. After a tendering process, Bolithos, the Mounts Bay Bank, purchased the whole of the assets, for a price which enabled a dividend of 15s in the £ (75%) to be paid. It absorbed most of the former business in its existing Helston branch, as it had that of the former Helston Banking Company. The former manager of the Helston Union Bank, Edward Pownoll Kendall, became joint manager there with Shackerley the incumbent (section 8.6.2); and sole manager in 1885 (Boase 1890, col. 1334).

Mrs. Vivian's lands were estimated to be worth £100,000; she paid 20s in the £ (100%) on her separate estate, settled on 26 June 1879 (all details from Boase 1890, col. 1333 [2]). To facilitate this, the large mortgage mentioned above had been transferred by the liquidators to Thomas Simon Bolitho on 25 June.[3] Bolitho and Chirgwin became the trustees of both the Vivians' estates, which were sold in 1880 to Michael Henry Williams.[4] Mrs. Vivian remained in residence at Pencalenick until her death in 1885 at the age of 91, bequeathing the house to her grandson (Dawes and Selwyn 2010, 126).

That Mrs. Vivian was active in both the bank and the business affairs to the end there can be little doubt. Dawes and Selwyn (2010, 125) point to the frequent occurrence of her name on legal documents; but, apart from this, the bank had become hers by 1872.

[1] CRO (Thrall, Llewellyn & Pearce), TLP/57: mortgage grant and conveyance (14 September 1868).
[2] Citing *Perry's Monthly Gazette* for 1879; pages 296, 746, 880, 1489
[3] CRO (Thrall, Llewellyn & Pearce), TLP/58: mortgage transfer (25 June 1879).
[4] *Ibid.,* TLP/684: declaration of Thomas Chirgwin concerning sale of estates (28 January 1880).

Of necessity, it was the great commitment of her life – it could not be disposed of in its precarious condition – and all she could do was keep it alive for as long as possible, depositing all she could from the income from her estate; and having reliable and equally-committed people assisting her in the management. Her brother Glynn Grylls had died in 1866; but her Hill family relations, solicitors in Helston, were ready to assist with legal matters, as they did with the mortgage transfer mentioned above. Her manager Edward Pownall Kendall was highly regarded; enough to ensure his continued employment by the new owners.

8.7 The Redruth District Bank: a new private alternative?

Despite the professionalism of the Tweedy family and their long legacy of financial prudence, the sequence of events in December 1878 and January 1879 (section 9.1) showed that reputation was no longer enough to sustain even old-established and well-respected institutions. Yet the reputations of individuals were still being advanced to instil public confidence in a new banking venture. The Redruth District Bank (Bain, Field, Hitchins & Co.) opened on 10 January 1879, the last private bank to be established in the South West. Its opening came within days of the failure of the Cornish Bank, in hurriedly-converted premises that had been an outfitter's shop (Armstrong 1937, 30). The partners, experienced businessmen but not bankers, were David Wise Bain (Portreath); Thomas Willis Field (Marazion), Martin Tredinnick Hitchins (St. Agnes); and Thomas Hitchins of St. Austell (Boase 1890, col. 1343; Fitzmaurice 1991, 26). The London agency was the Imperial Bank Ltd., transferred later to the London Joint Stock Bank Ltd (Matthews and Tuke 1926, 270).

The *West Briton* did not discuss financial details or prospects, only status and reputations. David Wise Bain was a magistrate, shipowner and merchant; the `leading spirit for some years' in the Redruth Tin Smelting Company and the Harford & Bristol Brass Company (with its familial banking associations: Ollerenshaw 1988, 57). He was also a partner in the Cornwall Candle Company

`and other well-known and well-conducted concerns'; and vice chairman and treasurer of the Illogan School Board, regarded as a `well-deserved compliment'. Moreover, he had `recently come into very considerable property'.[1]

Thomas Willis Field, `perhaps not so well-known', was son-in-law of the late R.R. Michell, in whose tin smelting firm he was a partner. He was `largely interested' in Wheal Sisters (`now the only mine of magnitude in the St. Ives district'),[2] of which he was secretary from 1875-1881 (Burt *et al* 1987, 444-445); and also manager of the Cornwall Arsenic Company. Martin Tredinnick Hitchins, `the well-known merchant and shipowner' was `one of the oldest merchants in Cornwall … a man of mature judgment and extreme caution … it can be unhesitatingly stated that his business engagements have always partaken of a conspicuously honourable character'. The bank was assured of `liberal local support', meeting with `the entire approval of the chief bankers of the county'. The partners were described as `what may be called successful men … hard-working … and diligent in application'; they had `no desire to trespass upon other people's preserves, but they think there is an excellent opening in Redruth'.[3]

Bain became an outspoken critic of the Cornish Bank's receivers, offering an alternative deal to its creditors and aggressively canvassing its former customers (Fitzmaurice 1991, 35-37); an early gain was the Wheal Peevor account.[3] An area previously relinquished by the Cornish Bank was entered with a branch at Grampound Road; it closed in 1883 (Boase 1890, col. 1332). Its only other branch was in Helston, opened on 5 April 1879 after unsuccessfully bidding against the Cornish Bank Ltd. and others for the relics of the Helston Union Bank (section 8.4.3; Boase 1890, cols. 1333-1334). The new bank never gained much influence in the area, although it did not fulfil the ensuing pessimistic predictions of the local press (Armstrong 1937, 16).

1 *West Briton,* 9 January 1879, 3.
2 *Ibid.*
3 *Ibid.*
4 *Ibid.,* 16 January 1879, 5.

Trust had been placed in the Tweedys, and was still placed in the Bolithos; both families had been bankers for generations. However impeccable the reputations of the partners in the Redruth District Bank, they were new to banking; and their *financial* radius of trust was sharply circumscribed by their inexperience. The bank was absorbed by the Consolidated Bank of Cornwall in 1891 (section 9.3.1). Field, however, had a long banking career, eventually becoming a local director of Barclays (Matthews and Tuke 1926, 253, 270).

Old misgivings concerning joint-stock limited liability, found wanting in the collapse of Overend, Gurney & Co. in 1866 (Taylor 2006, 176-209), were now being swept aside by the sustainable successes of a new order (section 9.3).

8.8 The transition from private to joint-stock banking practice

As private and joint-stock banks alike became more firmly-established from the 1840s onwards, the basic mode of operation, the issues faced by bankers, and the general managerial outlook became increasingly common to both. In operational terms, Collins does not make the distinction in his analysis of the `business of banking' (Collins 1984). As the larger private banks expanded and acquired branches, authority became delegated to managers with specific responsibilities and circumscribed spheres of action within formally-defined organizational structures: they came to closely resemble joint-stock organizations in their mode of operation. The *gemeinschaftlich* past was ripe to begin the transition into a *Gesellschaft* future. In a corporatizing society, the *Gemeinschaft* basis of social organization, with its familial values and increasingly-contested moral philosophy, began to be transcended by new forms of networking outside of home, family and chapel; such as freemasonry, party politics, or professional associations (section 3.2).

The expansion of the business of a private bank could lead to the separation of the partners, even the managing partners, from routine involvement. While they reserved to themselves the decisions on major issues, the minutae of operation

was delegated to others in what had become a larger establishment. Like the general manager of a joint-stock bank, they became necessarily concerned instead with larger and more abstract matters, conceptualizing the intricacies into accounting or statistical generalizations; and directing their energies towards aggregated issues of strategy and finance (Rae 1890, 202-206). The management ethos was acquiring a *gesellschaftlich* aspect. Although this amounts to a separation of control from operation, there is not yet the divorce of ownership and control characteristic of `managerial' capitalism (Marris 1964).

Organizationally, the typological transition from *gemeinschaftlich,* dynastic family businesses through formally-constituted partnerships to the *Gesellschaft* of public joint-stock corporations is observable through the changes in the status and career prospects of individuals in the organization. Stinchcombe (1969, 186-189), in a study of the emergence and evolution of organizations, offers five points in this respect, which are adapted in Table 8.5.

Table 8.5

Changing status of individuals in organizations

	Family firm	Formal Partnership	Corporation
(1) Educational pattern	within the family	outside schooling	Formal technical training
(2) Qualifications	`empirical socialization' in the business (Stinchcombe 1969, 188)	Accumulated practical experience	Formal industry qualifications
(3) Employment terms	Heritable prospects; Familial obligation	Contractual: based on ability	Standard conditions
(4) Career trajectory	Tied to family prospects	Promotion by ability within the firm	Career can extend beyond the firm
(5) Alternative prospects	Familial expertise not easily transferable	Skills transferable if adaptable	Career can depend on moving away

Sources: Derived from Stinchcombe 1969, 186-189, and Casson 1999

In Casson's dynastic family firm (section 4.11), family members were nurtured and educated in the particular culture and ethos of the family and its business, much as Barclay Fox and his sisters were (Fox 2008, 33-78). Socialized in the business, they acquired special skills and aptitudes not readily transferable to

other firms and allegiances. Their loyalty and prospects, as well as their present situation, were entirely bound up with the family fortunes. For the formal partnership, education was increasingly away from the family, but individual progress depended on practical experience gained on the job; `confidential clerks' could aspire to be partners, as in the earlier Miners' Bank (section 6.2.7). In Cornish banking, there was little movement of staff between private banks, unless forced by closures; one example is Edwin Carter at the St. Columb Bank (section 8.5). At the London and South Western Bank, starting from scratch in its human resources, a formal scheme of training and promotion was in place from the outset; there were rewards, penalties and resignations, with careers continued beyond the bank (section 7.6).

In generic institutional terms (Casson 1999, 18-20), family firms could make the transition in stages towards joint-stock organization; heritable family partners becoming paid employees as the business was externalized from the family environment and formally constituted in contractual terms (see also Table 4.1, 65). The process would have to be completed in each of the five categories in Table 8.5. In practice, organizational change was partial and uneven; neither were organizations located on this matrix merely by their titular constitutions. The Helston Banking Company (section 8.6.2), though joint-stock in name, acted more like a family business; while the Devon & Cornwall Bank (section 7.3) had the aura of a private partnership in its early years. The Bolitho banks (sections 6.4.3, 6.4.5), as partnerships of established and experienced business interests, were formally-organized from the beginning; long procedural development had nearly completed the transition into effective joint-stock banking practices well before 1889 (section 9.5). The Western Counties Bank did not sufficiently differentiate its capital (section 9.3.2.1). Moreover, organizational transition could be facilitated or hindered by the general state of educational development in society (Heffer 2013, 412-505); formal qualifications depended on technical education. This was increasingly reflected in the deepening content of the examination papers at the Institute of Bankers.[1]

[1] *Journal of the Institute of Bankers,* 1 (1880), 680-687; 12 (1891), 450-452.

Limited liability, expansion and amalgamation, 1879-1922

By the 1870s, the system of country banking which had developed and served England, Wales and Cornwall for over a century was gradually being superseded. The most visible sign of positive change and expansion was the appearance of a new branch of a bank in a location where it had hitherto been unrepresented. Another was a new name replacing the old on the sign over the door. The large numbers of small, mostly private institutions with few or no branches were being absorbed one by one by much larger, usually joint-stock concerns, keen to extend their services by the opening of new branches. The development of branch and agency banking, and the growth of joint-stock banks compared with the persistence of the private institution, is shown in Table 9.1. By comparison, the situation in Scotland and Ireland was markedly different; in both a small number of larger joint-stock banks had for several decades maintained large branch networks (Checkland 1975, 524; Ollerenshaw 1987, 124).

Table 9.1

Growth of branch banking in England, Wales and Cornwall

Numbers of branches and agencies

	Cornwall		England & Wales (including Cornwall)	
Year	Private	Joint-Stock	Private	Joint-Stock
1844	20	5	383	574
1860	20	5	553	679
1880	47	11	625	1551
1890	15	63	693	2800

Source: Armstrong 1937, 32.

These issues are further discussed in sections 9.4, 9.5 and 9.6. The ongoing processes were accelerated at the end of the 1870s, when a pivotal crisis with major bank failures in Glasgow, Bristol and Truro was answered in the perceptions of the time by a widespread adoption of joint-stock limited liability

(Acheson and Turner 2008, 236), followed by a period of branch expansion and consolidation through amalgamation; the average size of firm was increasing as the industry became more concentrated (Capie and Rodrik-Bali 1982).

The crisis of 1879 began the final phase in independent Cornish banking, which is the overall subject of this present chapter. The Cornish Bank closed its doors in the first week of the year (section 9.1); while the Helston Union Bank, the struggling representative of the old order described in the previous chapter (section 8.6.3), failed a month later. Notwithstanding the challenge from Bain and his Redruth District Bank (section 8.7), the Cornish Bank was reconstituted as a joint-stock bank with limited liability and public accountability (section 9.2).

9.1 The pivotal crisis of 1879; the failure of the Cornish Bank

The financial crisis of 1866 occasioned serious institutional failure; but, however damaging, the soundly-established banks and the economy in general weathered the storm without much in the way of institutional change (Clapham 1932, 340). However, Overend & Gurney, and some others afterwards in Britain and Ireland, had failed with limited liability (Acheson & Turner 2006, 323). There was thus a continuing belief that reputation, now increasingly backed by solid professionalism and rigorous procedures, could overcome the many fluctuations and difficulties of a banking business; and that the unlimited liability of partners and shareholders was the safest guarantee of good management (Hickson and Turner 2004, 908-909; 2008, 237). In Cornwall, the Bolitho partnerships (section 6.4) were the exemplars. But the few rich partners in a wealthy private bank contrasted sharply with the now greatly-enlarged unlimited joint-stock institutions, such as the City of Glasgow and the West of England & South Wales District Banks; which could have many small shareholders, each unable to bear the large and multiplying risks to which they were being exposed (Armstrong 1937, 24; Checkland 1975, 471; Acheson and Turner 2008, 239). The approval and vetting required for share applications and transfers effectively excluded the impecunious; but even wealthy investors could be

ruined by the magnitude of the losses which could be incurred (Hickson and Turner 2003, 932-935; Acheson and Turner 2003, 323).[1]

The failure of the City of Glasgow Bank occurred on 2 October 1878, with 133 branches across the west of Scotland, and liabilities of £12.4 million. While the depositors and creditors were paid in full, most of the 1,819 shareholders, many of whom were vulnerable small savers, were unable to pay the £2,750 demanded of each £100 share, and were declared bankrupt. A charitable fund set up to alleviate their distress collected £400,000. For years, the directors and general manager had misunderstood and fraudulently misrepresented its precarious financial position; and were subsequently convicted of fraud in a widely-publicized trial (Checkland 1975: 470-473; Dirring 2013b). The bank had strong connections in Lancashire; where its correspondent banks (and others) were pushed to the brink, and anxieties caused runs on building societies and savings banks. The Caledonian Banking Co., which had been holding City of Glasgow shares as collateral, also failed; as did others elsewhere (Collins 1989, 505, 508-509). It was a decisive nodal moment in the rising discourses of corporate limited liability.

The suspension of the West of England & South Wales District Bank followed on 9 December, a comparable but smaller concern based in Bristol with 49 branches and liabilities of some £3.4 million (Collins 1989, 507). Like the London & South Western (section 7.6), it had no roots in private banking, having been originally promoted in 1834 from elsewhere; although the first chairman was from Bristol, and the majority of the shareholders from south west England (Ollerenshaw 1988, 61-63, 68-70). Involvement in long-term industrial lending by banks was customary in South Wales (even the Bank of England took over a defaulted colliery in 1848); the West of England had been involved in the Aberdare and Plymouth Ironworks since 1840 and in Booker's tinplate works since 1861.

[1] This was routine business at most board meetings of the London & South Western Bank. See Barclays Group Archives (L&SW Bank), 0003-0107: Board Minute Book, 1862-1874, *passim.*

The bank had become overcommitted to these doubtful and illiquid assets; and under heavy pressure after the Glasgow failure undermined the Ironworks' other finances. As in Glasgow, many of the shareholders ruined under unlimited liability were of modest means; relief funds were set up. Criminal charges against the directors, however, were dropped (Roberts, R.O, 1980b, 382-383 and 394-398).

A structural weakness in British banking at this time was an over-concentration of loans to large, non-performing industrial customers; more generally, credit facilities could not be readily withdrawn from regular dependable clients, while deposits were falling sharply through 1878. Strenuous efforts were therefore made to raise money from London agents or loans from the Bank of England, and also by calls on shareholders to increase their paid-up capital or take up new issues (Collins 1989, 510-520).

As a prosperous private institution, the East Cornwall Bank had begun to draw up its survival strategy on 13 December 1878, increasing its cash holdings as much as possible (section 6.4.5). Throughout this period, there was no cash crisis at the Bank of England; despite heavy withdrawals, there was no serious depletion of the gold reserve, and suspension of the 1844 Act's restriction of the note issue was not invoked as it had been on several previous occasions (Collins 1989, 523). While there was a heavy demand for notes and coin at the Bank of England's Plymouth branch, the agent was able to report on 10 December that `There is no "run" upon … the Banks, or in fact any extraordinary demand upon them …'[1]

At the Cornish Bank, Michael Williams II had retired from the partnership on 29 October 1874 (Boase 1890, col. 1346). His brother Sir Frederick was now the sole Williams partner, with one third of the share capital. Robert Tweedy, the senior Tweedy partner, and his sons William, Robert Milford and Charles held the remainder (Fitzmaurice 1991, 14).

[1] Bank of England Archive (Plymouth Letter Books), C145/9: 1877-1882, page 48, memo GL 13209 (10 December 1878).

Sir Frederick Williams died unexpectedly of a stroke at his residence in North Devon on 3 September 1878, aged 49.[1] He had been MP for Truro since 1865. The Tweedy-Williams partnership had lasted nearly seventy years; and the Tweedy partners had now to find new capital, as well as maintaining the reputation of the business against the rumours which were beginning to circulate regarding the bank's assets and liabilities.

In late 1878, the bank failures in Bristol and Glasgow were in the news in Cornwall; and the popular apprehension was of more failures to come. Some of Sir Frederick's industrial enterprises were struggling: the Perran Foundry, a major engineering supplier to the mining industry, had closed; and there was an unspoken uneasiness in the community and banking public about the prospects for the Cornish Bank, exacerbated by the impact of the Glasgow failure on the banking world generally. Rumours were rife that the bank had no money; timid depositors started making withdrawals, amid the growing economic uncertainty of the times ominously highlighted by mine closures (Fitzmaurice 1991, 14-16). To allay these fears and counter the rumours, the management decided to send the following circular, dated 27 December 1878, to all its customers; but it had the opposite effect:

> We have the pleasure to inform you that arrangements have been made to replace the one third share of the capital of the Cornish Bank held by our late partner, Sir F.M. Williams, Bart.
> We think it right, as we understand that rumours to the contrary have been circulated, to inform you that by Sir F.M. Williams' death the resources of the Cornish Bank are considerably strengthened by the money which has already and will come into it from his estate.
>
> (Quoted by Fitzmaurice 1991, 19)[2]

In the first dark and gloomy days of 1879, there was a run on the bank, and it suspended payment on Saturday 4 January. The weekly papers in Truro had already been published; and rumour quickly became rife.

[1] *West Briton,* 5 September 1878, 4: in Truro, the bell tolled, and `a gloom seemed … [to settle on] the city'.
[2] It was also published in the *West Briton* (2 January 1879, 4).

Many came in from outside the city to ascertain what was actually happening; the other Truro banks came under heavy pressure for withdrawals (Fitzmaurice 1991, 20-21). Notwithstanding this, the other banks acted quickly to fill the vacuum created by the Cornish Bank failure. On the Saturday of the closure, emergency credit was provided for the mines whose representatives had appeared as usual outside the closed doors of the Cornish Bank in Redruth to collect the week's payroll.[1] Dolcoath were accommodated by Williams, Williams & Grylls.[2] However, the bank's failure caused the stoppage of the West Roskear mine, which was unable to pay its wages (Morrison 1980, 363).

For bank account holders generally outside Truro, decisions had to be taken on the basis of received discourses of events, in which rumour and actuality could be inextricably mixed. The next editions of the papers the following week could only offer extended opinion and speculation, rather than firm news of the state of the Cornish Bank's finances;[3] the first creditors' meeting would not take place until the end on the month (Fitzmaurice 1991, 27-28). The bank's investments were said to include £100,000 in mining loans to South Crofty and West Basset among others – West Basset owed £15,475. Robert Tweedy had a substantial shareholding in the Cornwall Railway, of which he was chairman), and interests in the Falmouth Hotel and Truro Gasworks. Deposits were said to exceed £200,000. Finally, there were accusations of political partiality: Sir Frederick Williams MP had allowed casual overdrafts to his Conservative supporters.[4] The argument was becoming current that banks generally were turning into investment companies, taking short-term deposits (albeit repayable at thirty days' notice), but lending mostly into long-term investments which were not immediately realizable (Armstrong 1937, 25).

[2] West Frances (by the Miners' Bank) and East Pool (West Cornwall Bank); *West Briton,* 9 January 1879, 3

[3] *West Briton,* 16 January 1879, 5; but owed the Cornish Bank £15,165 (Morrison 1983, 38).

[1] For example, the editorial comments in the *West Briton,* 10 January 1979, 4.

[2] All from a full but speculative report in the *West Briton,* 9 January 1879, 7.

The partially-informed choices facing bank depositors generally were thus to stay with and keep confidence in their present bank; draw out their money; or put faith in one of the banks that were coincidentally opening new branches in Truro, Falmouth and Redruth. While rapid improvisation may have been possible, direct responses to the event seem unlikely; though possibly hastened as the opportunity to pick up new business for the asking was seized. Williams, Williams & Grylls (the Falmouth Bank) opened in Truro on 7 January 1879, trading as the Truro City Bank. Richard Whitworth, erstwhile cashier of the Cornish Bank, was its first manager; maybe an opportunistic appointment in the hope of attracting former Cornish Bank customers (Fitzmaurice 1991, 26).

On 20 January, the Devon & Cornwall Banking Company opened in Falmouth, recruiting John Blamey from the Cornish Bank at Penryn as manager (Boase 1890, col. 1332). They also opened in the same month in Redruth (Boase 1890, col. 1343); where the other and completely new venture was the Redruth District Bank (section 8.7).

Elsewhere in Cornwall, the Mounts Bay Bank in Penzance offered immediate repayment of deposits on demand without requiring notice, and confidence was restored; while in Liskeard the East Cornwall Bank's contingency plan was in the event not needed (Hicks 1952, 472-474). The Helston Union Bank did not weather the storm (section 8.6.3); while another casualty was the Penryn Penny Bank (founded in 1861), which was forced to stop payment in February with its funds inaccessible in the failed Cornish Bank (Boase 1890, col. 1339).

The first creditors' meeting of the Cornish Bank was held in Truro on 28 January, ending much of the uncertainty and speculation as to likely outcomes (Fitzmaurice 1991, 32). The total liabilities were £456,987, of which £431,277 was due to unsecured creditors, including £318,464 to depositors and £112,218 on current accounts. The estimated assets amounted to £399,416. Sir Frederick Williams had been overdrawn to a value of £61,291. An initial composition of 16s in the £ (80%) was offered at the creditors' meeting by the liquidators,

Frederick Whinney of London and Thomas Chirgwin of Truro (Boase 1890, col. 1347;[1] Fitzmaurice 1991, 32-35).

As discussed in the next section, the Cornish Bank was reconstituted as a limited joint-stock company with formal and legislated financial guarantees; and all creditors of the former private partnership, and those holding its notes, eventually received full value; suggesting that the bank had been basically sound, with only temporary liquidity difficulties (Armstrong 1937, 25-26; Fitzmaurice 1991, 40).[2] The honourable reputation of the Tweedy family was resistant to rumour;[3] though tarnished, it enabled them to continue as branch managers in the communities in which they were known and respected.

9.2 Reconstitution of the Cornish Bank as a limited company

The provisional committee appointed to reconstruct the Cornish Bank first met informally in early February 1879, in respectable traditional style and leavened as of yore by the participation of the clergy (Fitzmaurice 1991, 29). A new beginning was made with the corporate structures, external funding and limited liability that can be characterized as *Gesellschaft,* and deliberately set apart from the tarnished familial loyalties associated with the failed *gemeinschaftlich* principles of the former bank. Shareholders and managers replaced partners, with a publicly-accountable financial position and limited liability. Risk was now a corporate matter, and no longer hazarded on individual fortunes, whether of partners or shareholders. The capital for the enterprise would no longer come from within family resources, but from outside investors; and the board of the new company also included directors from elsewhere to provide an external perspective on the operations and strategy of the business.

1 Citing *West Briton* 16, 23, 30 January 1879; 6, 13, 20 February 1879.
2 A view shared by some correspondents in the *West Briton* (16 January 1879, 5).
3 See Smail 2005, 449 on this general aspect.

Besides prominent personalities, businessmen and clergy in the former bank's trading area, most of whom had never been previously involved with bank management, it also included Thomas Chirgwin (mayor of Truro and one of the liquidators) and Robert Tweedy; with two representatives with interests outside Cornwall. The committee members (Boase 1890, col. 1348) were Robert Richards Broad junior (a prominent merchant in Falmouth), Lt. Col. John James Bull (Marlborough and Falmouth), Thomas Chirgwin, John C. Clarke MP (Abingdon), Robert Clarke (a merchant in Truro, Falmouth, Penzance and Bristol), John Claude Daubuz (Killiow, Truro), Rev. F.R. Hole (vicar of Constantine), John Jose (Perranarworthal), L.H. Kelly (Grampound), H. Somerset Mackenzie (Falmouth), John Magor (Feock), Rev. Canon Thomas Philpotts (Devoran), Joel Rowe (Probus), William Teague (Truro), Lt. Col. Arthur Tremayne MP (Carclew), and Robert Tweedy.

The new bank resulting from their deliberations was incorporated with limited liability under the Companies Acts of 1862 and 1867. Its chairman was J.C. Daubuz, the managing director Robert Tweedy, and the board members J.R. Bramwell, Robert Clarke, John Jose, L.H. Kelly and William Teague. Its commercial base was quickly established by purchasing the former premises of Tweedy, Williams at Truro, Falmouth, Penryn and Redruth. Continuity with the old business in the branches as going concerns was assured by the Tweedys continuing as before (but as salaried employees) in their previous management positions, together with most of the former staff – a popular move (Fitzmaurice 1991, 39). The authorized capital was £250,000 in 5,000 shares of £50. By the following year, £112,170 had been subscribed. There were 319 shareholders in 1887; the reserve fund was £20,000; and the dividend said to be 8% (Boase 1890, col. 1348). Following the bank's unsuccessful bid for the failed Helston Union Bank, the first new branch was opened there on 3 May 1879 (Boase 1890, col. 1334) Further branches were opened across Cornwall, and in Plymouth, up to 1897 (section 9.4).

9.3 The wider adoption of limited liability

Some joint-stock banks, such as the London & South Western, had been incorporated with limited liability from the outset following the enabling legislation in the early 1860s (section 7.5). At length, and especially after the events of 1878 and 1879, its adoption became nearly universal throughout Britain; either through reconstitution (as with the Cornish Bank) or as the outcome of amalgamation - to which all the Cornish banks came in time.

A new Companies Act (42 & 43 Vict. c.76) was passed during 1879, facilitating the more general adoption of limited liability by joint-stock banks by introducing the principle of reserve liability, by which companies being wound up could call on their shareholders to take up their full liability (otherwise untouched) by paying the difference between the paid-up and nominal values of their shares (Collins 1989, 505; Clapham 1932, 352). Taking advantage of this new legislation, quickly passed in the wake of the City of Glasgow failure, there was a gathering movement towards limited liability and joint-stock organization with greater guarantees of stability. However, Cornish banking in general, which until 1890 might have been characterized as a last great bastion of the unlimited private partnership, was relatively slow to embrace limited liability and joint-stock organization; and with it the adoption of the two dominant institutional means of uncertainty avoidance – growth through enlarging and developing branch networks, and amalgamation to form larger corporate institutions.

9.3.1 The Commercial Bank of Cornwall Limited

The second bank to be incorporated with limited liability in Cornwall was an entirely new venture. The Commercial Bank of Cornwall Ltd. was incorporated on 27 July 1881 in Liskeard, commencing business on 1 September. The nominal capital consisted of £100,000 in 5,000 shares, of which £25,000 was paid up (£20 shares at £5). In 1887, the reserve fund in the bank (as distinct from the reserve liability of the shareholders) was £3,750 and the dividend 7%. The directors at the first general meeting on 26 July 1882 were the chairman

Richard Hawke (Liskeard); Thomas Henry Geake (St. Germans); William and Thomas Gundry (Golant); Henry Doughty Browne (London); and Richard Kittow (Altarnun). After the death of Richard Hawke in 1887, William Sargent, who had been manager at Liskeard since 1881, joined the board. The first agencies were in Fowey, East Looe, and Mevagissey (all details from Boase 1890, cols. 1329-1344). At Mevagissey, there had been no banking representation for fifty years since the failure of Ball and Hamilton in 1824 (section 6.6.2). Circumstances had altered as generation succeeded generation; a corporate outsider may have been welcomed and trusted where a local private initiative would not have found favour.

9.3.2 Other conversions to limited liability

9.3.2.1 Liskeard District Bank to Western Counties Bank Limited

Continuing the story from section 8.4, William Polkinghorne, a partner since 1875, became general manager of the Liskeard District Bank in 1880. Charles West, succeeding his father William in 1879, died after only a year in the partnership; his place was taken by his brother, the Rev. John Otho West. The sons of Edward John Treffry (Joseph Thomas, John de Cressy, and the Rev. Reginald Heber Treffry) together with Percy Trevarthian Pearce (the bank's Camelford agent), joined in 1882 and 1883 (Boase 1890, col. 1336).

With the rising generation, the bank was acquiring a management structure preparatory to conversion into a joint-stock bank with limited liability: in April 1885 it became the Western Counties Bank Ltd. The nominal capital was £110,000 in £10 shares, with £40,000 was paid up (£4 per share). New branches were opened in Plymouth and Callington. There were 441 shareholders in 1887; the reserve fund stood at £750, and the dividend was 5%. The directors were Joseph Thomas Treffry (780 shares), William Polkinghorne (800), John Otho West (650), Percy Trevarthian Pearce (500), Colman Battie Rashleigh (Prideaux, 100), Borlase Childs (Liskeard, 100), and George Martyn

(former Wadebridge manager, 200). William Polkinghorne continued as general manager (Boase 1890, cols. 1336, 1342). In August 1889, the half-yearly dividend continued at 5%, from a net profit of 3,096; the chairman reported satisfactory prospects.[1] Yet the bank was in liquidation when its business was acquired by Capital & Counties in 1890. They advanced £32,000 to facilitate the disposal of property, including the former residence of the late William West; illiquid assets yielding reduced rents. The last shareholders' meeting in 1897 accepted the reduced final dividend.[2] Capital had not been wholly distinguished from the depreciating wealth of former partners (section 4.2); the transition from private to joint-stock organization had not been fully accomplished.

9.3.2.2 The Devon & Cornwall Banking Company Limited

On 1 January 1884, the Devon & Cornwall Banking Company, now a much larger concern extending eastwards into Dorset, Somerset and Wiltshire, acquired limited liability status; and increased its nominal capital to £1,000,000 by raising the nominal share value from £100 to £200; the 1,000 remaining unissued shares were then issued to make 5,000 in all. In 1888, the £200 shares were subdivided into £100 units again; the nominal capital remaining at £1,000,000, with £200,000 paid up (in 10,000 shares each of £100, with £40 paid up). The reserve fund was £191,500, and the total number of shareholders was now 395. Boase, now commenting on his contemporary scene, noted that it `Pays 18¾%' (all details from Boase 1890, col. 1341).

9.3.3 The ignominious end of Batten & Carne's Penzance Bank

The transition to joint-stock organization and limited liability was not always successful. Following a period of modest expansion (section 6.4.2), and the surprising addition of a Plymouth branch in 1882, the Penzance Bank adopted limited liability in 1890 and gave up its note issue.

[1] *West Briton,* 22 August 1889, 1

[2] *West Briton,* 21 January 1897, 4

Becoming Batten, Carne & Carne's Banking Co. Ltd., its directors were Charles Campbell Ross (chairman), Thomas Hacker Bodilly (deputy chairman), Major J.J. Ross, R.H. Bodilly, and Colonel R.H. Innes (Matthews and Tuke 1926, 271-272). Charles Campbell Ross (1849-1920), though an outsider in Cornwall, had become a prominent citizen of Penzance; receiving respect and deference as a member of the Carne family, he served as mayor in 1877-1879 and again in 1881 and 1883; and was MP for St Ives, the local constituency, until 1885.[1] However, as later investigations revealed,[2] the former private bank had been in a bad way just prior to the transition. It was seriously short of cash to meet even modest withdrawals of deposits; and the critical juncture was reached when the London agents gave notice to suspend their connection. Moreover, the bank had been trapped in escalating advances of unsecured overdrafts (see section 10.1.1), even to the point of default and beyond; concealment had led to misfeasance.

To raise more capital, 7,000 new shares were issued in April 1895; however, only 2,000 were taken up, many by existing shareholders. This issue could not be abandoned without raising doubts in the public perception about the bank's viability, and lower dividends were unavoidable. It had moreover become difficult to build up an adequate reserve fund. The business was transferred to the Consolidated Bank with effect from 14 November 1896, with operations continuing without interruption; and Batten, Carne & Carne's Banking Co. Ltd. was put into liquidation, with the shareholders set to lose heavily. Ross, with Gardiner the auditor, nevertheless became the liquidators. Such conflicts of interest could be expedient though technically illegal, as at Wheal Vor in 1830 (section 8.6.1); or tacitly accepted, as at the Liskeard & Caradon Railway when it was in Chancery from 1886 – Lewis Charles Foster (section 6.4.5) was simultaneously receiver, banker and director (Messenger 2015, 62-63).

[1] Background information in this section is derived in part from `Fall of the house of Carne' (2008), a basic but anonymous outline narrative of events found at http://www.westbriton.co.uk/Fall-house-Carne/story-11426037-detail/story.html, accessed 12 May 2015

[2] *Royal Cornwall Gazette,* 14 July 1898, 4.

This reflects the *gemeinschaftlich* nearness of family, community and business relations in Cornwall generally.

Lacking in explanations, Ross resigned as liquidator in January 1898;[1] and Gardiner was censured in the investigators' report.[2] The long drawn-out process of liquidation continued until the last shareholders' meeting on 6 February 1903. At the well-attended annual meeting in January 1900[3] there were over 700 shareholders, many with small means who had struggled to pay the call of £6 per share made in December 1898. The new liquidator, H.H. Pezzack, contrasted their sacrifice with some others with `ample means to pay', against whom action was being taken. £57,452 had been received.

The Consolidated Bank was acknowledged to have met the company `with a liberal spirit' in renegotiating terms. Added to the receipts from calls in 1899 were £4,075 from property sales, £4,505 from recovered debts, £1,580 from sales of shares in mining and public companies, £314 from sold and surrendered life assurance policies, £209 from rents; with other items the total receipts were £68,345. Against this, the outgoings were the call money paid into a special liquidators' account (£57,452); Consolidated Bank management fees £9,300; receivers' account £110. Other items brought the total outgoings to £66,752, leaving £35 in hand for the year. The effective management of the remaining assets over a period was essential to maximize their return while the legal processes took their course. These included £5,068 in life assurance policies on Ross, and £26,350 in reversions and other securities. The expected deficiency was projected at the meeting as approximately £20,000. A claim was being made against the erstwhile directors and auditor of £250,000; misfeasance proceedings were still in progress. As the cited online outline narrative states, the `peculiar transactions' alluded to by Pezzack at the meeting were eventually revealed to amount to an unsecured debt of £180,000, much of which was in Plymouth.

[1] *Royal Cornwall Gazette,* 27 January 1898, 6. [2] *Ibid.,* 14 July 1898, 4.
[3] *Ibid.,* 1 February 1900, 7, on which this account of the meeting is based. All values are given here in round pounds.

There was also a mortgage of £11,000, which a High Court decision ruled as having been mis-sold. The books were balanced at last and the company wound up in 1903; Ross and the Carnes became a bad memory for many. Charles Campbell Ross had overreached himself. With his reputation and social standing destroyed, he left Cornwall; and in 1901 became the curator of the Whitechapel Art Gallery in the East End of London, thereby remaining true to the philanthropic and cultural legacy of the Carnes (section 6.4.1).

9.4 Strategic branch expansion during the 1880s and 1890s

Ongoing since the 1830s in some areas like Yorkshire (Newton and Cottrell 1998), banks everywhere were now playing the strategic game of branch network expansion, in which the objectives were to capture territory and to broaden the base of each bank's business over much wider areas. New custom was now actively being sought; more and varied accounts from a greater diversity of backgrounds would spread the risk. Demand for banking services was rising: in particular, the widespread use and acceptance of cheques made a bank account convenient and desirable (Armstrong 1937, 13-14). However, expenses were increased; and not all, or even a majority, of the new branches may have been individually profitable (Sykes 1925, 586-588).

In Cornwall, this new era of strategic branch expansion had already begun in 1879, with the new branches opened in Truro by the Devon & Cornwall and Williams, Williams & Grylls (section 9.1). The advantages of branching were not lost on the private banks; some aimed to benefit from giving a better service in the districts they regarded as their own (section 8.2). In the Tamar valley, the Tavistock Bank expanded its operations in East Cornwall in this way during 1879, with the opening of agencies in Calstock and Gunnislake (section 8.1). Opportunity had been created in Helston in the wake of the Union Bank failure; but new contenders needed to become established quickly to attract the business now on offer from former Union Bank customers, before Bolithos consolidated their position. Two of the unsuccessful bidders quickly opened

their own Helston offices; the Redruth District Bank on 5 April 1879, and the new Cornish Bank Ltd. on 3 May (Boase 1890, col. 1334).

Additions to their long-established branch networks by the Devon & Cornwall and Cornish Banks, beyond their traditional home areas, stood alongside the branching of the new joint-stock banks; as summarized in Table 9.2.

Table 9.2
Expansion of branch and agency networks in Cornwall, 1881-1903

	Devon & Cornwall Bank	Cornish Bank Ltd	Western Counties	Commercial Bank	
					Boase col
1881	Penzance			Liskeard	1341, 1336
				Fowey	1332
				East Looe	1338
				Mevagissey	1338
1882		Penzance		St. Blazey	1341, 1343
		St. Columb			1345
1883		Newquay			1338
1885	Camborne				1330
1886		Padstow	Plymouth		1336
1887			Callington	Callington	1329
					Sayers ref
1888		Camborne		Lostwithiel	301, 312
		Plymouth			316
1890	Bodmin	Wadebridge			297, 324
	Looe				312
	Saltash				319
1891		Callington			301
		St. Austell			319
		St. Mary's (Scilly)			319
1892		Stonehouse			316
1894	Bude				300
	Newquay				314
1896	St. Ives				319
1897		St. Ives			319
1903	St. Mary's (Scilly)				319

Sources: compiled from Boase (1890) and Sayers, R.S. (1957).

The later intrusion by the Capital & Counties in 1896 (section 9.6) is not shown; while the Consolidated Bank had expanded by absorption rather than by branching (section 9.5). Apart from its eastwards expansion beyond Devon, the Devon & Cornwall Bank was also reaching into west Cornwall. The Cornish Bank was also looking eastwards as far as Plymouth, with a strong presence in east Cornwall. Some towns, like St. Ives, Penzance and especially Callington,

were now being closely contested for business. The new banks lacked the resources for prudent or substantial expansion. Despite its title, the Western Counties only added two branches to its small existing network (although one of these was in Plymouth); and the Commercial Bank depended entirely on agencies (section 9.3.1).

Before 1840, branch offices had been careful extensions of the business into new areas of risk. It was common for this risk to be contained within a separate but interlocking partnership, as in the case of the Cornish Naval Bank (section 6.3.1.1). Or the branch might have been started by invitation, with the capital provided by a new associate who would become the managing partner in a separate business: this appears to have been the case when Dingley & Co opened in Okehampton (section 8.1).

Much of the expansion after 1880 was through agencies rather than full branches, enabling smaller locations with more limited business to be served. These could be quickly set up as adjuncts to the agent's existing business; closed if unsuccessful, or expanded into full branches if prospects were good and the bank was accepted into the local community. A bank's radius of trust was increased through a careful branching policy; another advantage of appointing agents was that they were already known and trusted in their communities. A newly-established outsider, which might be a Cornish bank branching from another town as well as an institution from outside Cornwall, would have to exceed the expectations of the community if it was to become more generally accepted.

The expanding branch networks were instrumental in increasing deposits, which by 1890 had become the main source of funds; paid-up capital contributed a much smaller part (5% at the Devon & Cornwall, 7% at the Cornish Bank), and note issues were much diminished (Armstrong 1937, 114). Reputation remained instrumental in attracting deposits; but increasing the interest rates offered was also effective, although higher rates of return had to be obtained on loans and investments (Armstrong 1937, 115).

For the traditional private bank, opportunities could diminish with time, if the economic prospects in the trading area of the bank worsened. Mines and their associated industries could close, without any comparable new ventures taking their place. This was the experience of the Helston banks (section 8.6). Meanwhile, new opportunities could be arising in other areas; in late nineteenth-century Cornwall the prime example was tourism. It would therefore be attractive, given the improvements in communication brought about by the completion of the railway network (section 9.7) and the development of telecommunications, for new branches to be opened elsewhere, breaking away from an increasing dependency on dwindling options in the home area; the Miners' Bank had been early in the development of banking in Newquay (section 6.2.7). If branching was not an option, then the other course would be amalgamation.

9.5 Amalgamation within Cornwall: the Consolidated Bank

After about 1880, the amalgamation movement in banking gained momentum. Within Cornwall, however, the Consolidated Bank, formed in 1890, was the only indigenous instance of this growing trend; but it was not on the scale of mergers elsewhere: Barclays, of which it later formed part, was initially formed by the amalgamation of twenty banks in 1896 (Matthews and Tuke 1926, 1-5; Ackrill and Hannah 2001, 56-58). The established mosaic of independent Cornish institutions had become unsettled by branch expansion as noted in the previous section; and was to steadily coalesce as the individual players became fewer and larger, and were taken over by banks from outside Cornwall.

In 1889, the interlocking Bolitho partnerships in east and west Cornwall that had worked together since the early years of the century now became a single entity with limited liability; the Mounts Bay Bank merged with the East Cornwall Bank to form Bolitho, Foster, Coode & Co. Ltd. It was known as the Mounts Bay & East Cornwall Bank, with Thomas Bedford Bolitho as chairman and Henry Roach as secretary; all the partners of both banks became directors, and some

of the shares were readily taken by their prominent customers (Matthews and Tuke 1926, 257). The limitations of the old private form of partnership (section 6.7.3) were now apparent; a critical juncture (section 4.10) had been reached.

This grouping was further enlarged into the Consolidated Bank of Cornwall (Bolitho, Williams, Foster, Coode, Grylls & Co. Ltd.) on 1 January 1890, when `amalgamation was agreed' with the West Cornwall Bank (Williams, Williams & Grylls); three partners joined the board. Capital was increased; some new shares were reserved for their customers. Hodge & Co. (Devonport and Plymouth) had been `purchased' the previous month. The Miners' Bank, having surrendered its note issue the previous year, was `acquired'; one partner became a director.[1] The range of terms agreed (purchase, acquisition, amalgamation), and the levels of participation in the new organization, show the relative bargaining strengths and reflect the wealth of the negotiating partners (see also section 10.2.2). The South Cornwall Bank followed suit on 19 August. The lacklustre Redruth District Bank was absorbed in 1891; and the business of the Penzance Bank, which had fallen on evil times (section 9.3.3), was taken over in 1896 (Matthews and Tuke 1926, 261-272). The integrated Bolitho partnerships had thus taken in nearly all of the other banks based in Cornwall except the Cornish Bank, which had absorbed the recently-founded Commercial Bank in 1891 (Armstrong 1937, 61).

At the inaugural meeting on 20 January, the Mounts Bay and East Cornwall Banks were likened to the Colossus of Rhodes, set astride Cornwall and encompassing `very valuable' territory.[2] Editorial comment in the press had been cynical. The *West Briton* noted the novelty of such an amalgamation, `certainly the most powerful that has ever been formed in Cornwall'; `made inevitable' by the growth of the Devon & Cornwall Bank, and the `very successful resuscitation' of the Cornish Bank.

[1] Public notices from each bank involved were published in the *West Briton* and *Royal Cornwall Gazette* on 9 January 1890.
[2] *Royal Cornwall Gazette,* 23 January 1890, 5.

Yet it was `the Goliaths of wealth, the Bolithos and Fosters, coming down to the level of a limited liability company … satisfactory to learn that there is to be no monopoly'.[1] The *Royal Cornwall Gazette* said that it was `another instance of the uncontrollable tendency of all modern trade to run into limited companies'.[2]

The principle of joint-stock limited liability was still only grudgingly accepted in Cornwall; but to a degree it was also being adopted in place of the high risks and now dubious advantages of the cost book system. The increasing concentration in Cornish banking was a trend mirrored in the mining industry, to which many of its principal actors remained deeply committed. In 1891 the two Penzance tin smelting companies, T. S. Bolitho at Chyandour and R.R. Michell & Co. of Trereife merged with Daubuz & Co. of Truro to form the Consolidated Tin Smelting Co. Ltd. (Brooke, Justin, 1988, 159-160). The workings of neighbouring mines were running into one another; and there had long been mutual dependencies in matters such as drainage: the natural course was one of consolidation and amalgamation. This would pool resources to gain economies of scale in an increasingly uncertain market dominated by overseas producers (Buckley 2005, 158-162). There were amalgamations in the central mining district around Camborne and Redruth; such as Carn Brea and Tincroft Mines Ltd. in 1896; over half the capital was subscribed by Bolitho, Williams, Harvey and Holman (Burt 1998, 727). Basset Mines, a grouping of workings along the Great Flat Lode on the southern flanks of Carn Brea, was registered as a limited-liability company on 9 January 1896.

Michael Henry Williams (Table 6.14, 169) and the Bolitho family were the major shareholders (Morrison 1983, 266-273, 305-310). Williams was also chairman of Dolcoath, which had assumed limited liability in 1895 with a capital of £100,000 (Morrison 1983, 52). This represented a paradigm shift in mining finance, reflected in a changing demand for banking services (Burke and Richardson 1983, 197).

1 *West Briton,* 9 January 1890, 3.
2 *Royal Cornwall Gazette,* 9 January 1890, 4.

As labour became scarcer through emigration, productivity was increased through mechanization (Burke and Richardson 1981, 5). The mines were gambling on reaching the main lode at greater and richer depths, borrowing to maintain their cash flows so as to free up their capital for investment in the new technology of pneumatic rock drilling. Dolcoath had owed its bankers £10,600 in 1877; in April of that year, West Basset owed the Cornish Bank £25,000 on an accumulated overdraft (Morrison 1983, 36, 283).

9.6 Further expansion; and absorption by outside interests, 1902-1922

The financial climate of the 1890s and after was set by the resolution of the crisis at Baring Brothers, which became public knowledge on 11 November 1890. As already known to industry insiders,[1] it was the result of an overcommitment to non-performing loans in Argentina. It was entirely an issue of international finance with few domestic repercussions. The bank had already been rescued by the concerted but covert action of other institutions led by the Bank of England (Clapham 1944, II, 326-339), which was now in fact taking on the responsibilities of a lender of last resort. The swift resolution of the crisis demonstrated the strength of the credit structure as it now stood in Britain (Kindleberger and Aliber 2011, 206-207). Stability was being achieved through mergers and concentration; with a broadening of capital bases away from single areas or industries. Managerial skills and procedures were improving, but there was more caution in the advancing of credit (Capie and Collins 1996, 28, 34).

By 1900, there were only four principal banks operating in Cornwall, each with a greatly-enlarged and expanding branch network: the Consolidated Bank of Cornwall, the Cornish Bank, the Devon & Cornwall Bank; and, from outside, the expansionist Capital & Counties Bank, which had absorbed the Western Counties Bank in 1890 (Armstrong 1937, 62; Dirring 2013b).

[1] An editorial narrative from this perspective was given after the event in the *Journal of the Institute of Bankers,* 12/1, 1-10 (`The financial crisis of November, 1890')

In 1896, the Capital & Counties Bank, as a further part of its strategy of expansion through acquisition and new branches, opened in Penzance and on St. Mary's, Isles of Scilly (Sayers, R.S., 1957, 316): no timid crossing of the Tamar this, but a sweeping gesture staking claim to a whole financial territory. Unlike the ill-conceived ambitions of Rickett & Enthoven in the 1840s, or the unsuccessful attempts of the London & South Western Bank in the 1860s (sections 7.3, 7.5), this newcomer in Cornwall was a vigorous competitor to the established and consolidating Cornish institutions (Sayers, R.S., 1957, 249-251, 253-257, 285-287).

Sustainability was now regarded as dependent on growth. From the 1880s onwards, capital was increased with new share issues.[1] Business bases were widened with more branches, either as new establishments or by absorbing other banks. Money was lent according to set procedures. The *modus vivendi* of the branch manager changed: less the client's friend and counsellor, more the bank's negotiator (Armstrong 1937, 74-75). Risk was regarded less as an opportunity for profit; more as engendering dangerous liabilities to be avoided (Capie and Collins 1996, 31; Dirring 2013b). Lessons learned through hard experience over the past century now became codified practice, enforced at branch level by the bank's inspectors (Ackrill and Hannah 2001, 64). The amalgamation movement, soon to result in the large institutions familiar in the twentieth century and after, was well under way. Nationwide branch networks were the aim, maximizing both deposits and a diversity of investment opportunities within the same organization.

Banks in `saving areas' were joined for the first time with others in `investing areas' (Ollerenshaw 1988, 71-73), creating greater reserves with a more efficient use of liquid funds (Armstrong 1937, 72). This structural change gradually supplanted the old London agency system which had linked country banks with metropolitan finance for so long.

[1] Not always managed adequately or fairly, as in the case of the Penzance Bank (section 9.3.2).

In many cases, these connections were the links leading to eventual amalgamation (Ackrill and Hannah 2001, 59). One by one, the main players in Cornwall were absorbed, as macroeconomic circumstances became less favourable to their independent continuation. The Cornish Bank's reserve fund was being challenged by depreciation of Consols, and the flow of home remittances from expatriate Cornish was disrupted by the South African war; all in all the bank found salvation in absorption by the Capital & Counties in 1902 (Sayers, R.S., 1957, 256-257).

9.6.1 Sometime partners, now Local Directors

The Consolidated Bank's London agent, Ransom & Co., was a constituent of the new Barclay group (Matthews and Tuke 1926, 4-5); a connection which led to the Consolidated's absorption by a bank whose operations were still predominantly on the eastern side of England. In 1905, it became the Penzance District of Barclay & Co. Ltd., for a consideration of £616,000 (Ackrill and Hannah 2001, 61). Several of its directors continued as Local Directors of Barclays, intended to act as a means of decentralizing control and maintaining relations with customers at a local level (Ackrill and Hannah 2001, 63-64). Former Consolidated directors who continued with Barclays are listed in Table 9.3. This preponderance of former private banking partners, serving as directors on local boards in a decentralized management structure, gave the early Barclays organization as a whole the air of a private bank (Ackrill and Hannah 2001, 54-58; Cassis 1994, 118). They were chosen on the basis of their individual merit and continued standing in their local communities, rather than the received status of the banks in which they had latterly been employed or had formerly been partners. This is demonstrated by subsequent appointments of Local Directors in the Penzance District. William James Adams, who had been manager of the St. Austell branch (formerly South Cornwall Bank) from 1880, became a Local Director for St. Austell in 1922.

Table 9.3

Local Directors of Barclays from the Consolidated Bank

	Original bank	Year Joined	Section ref
Thomas Robins Bolitho (a)	Mounts Bay; East Cornwall	1880, 1884	6.4.3; 6.4.5
W.E.T. Bolitho (a)	Consolidated	*c.*1890	6.4.3
Richard Foster Bolitho	Mounts Bay; East Cornwall	1880	6.4.3; 6.4.5
Thomas Bedford Bolitho (b)	Mounts Bay	1880	6.4.3
Arthur Coode	East Cornwall	1875	6.4.5
Lewis Charles Foster	East Cornwall	1869	6.4.5
Henry Durrett Foster (c)	East Cornwall	1885	6.4.5
Thomas Willis Field	Redruth District	1879	8.7
William Michell Grylls	West Cornwall	1865	8.3
Arthur Pate Nix	Miners' Bank	1866	6.2.7
A.C.P. Willyams	Miners' Bank	1861	6.2.7

(a) *Also represented the Penzance District on the London board.*
(b) *Resigned in 1911.*
(c) *Represented Bodmin only; former manager of the Bodmin branch.*

Source: Matthews and Tuke 1926, 12, 254-255

Edward Willyams Carus-Wilson, a sometime partner in the Miners' Bank, joined in 1917. Both were entering into renewed employment after a long retirement from banking. Apart from personal connections and recommendations, their reputations and commercial standings had doubtless continued as personal assets and social capital. Another characteristic of private banking which persisted even as late as the 1930s in Cornwall was the hereditary tradition in the appointments of new directors. William Edward Thomas Bolitho died in 1919; the same year as Edward Hoblyn Warren Bolitho was appointed. Born in 1882, he was a nephew of Thomas Robins Bolitho, and became a full director of the bank in 1925, the year that his uncle died (Table 6.12). Likewise, when William Michell Grylls retired in 1906, he was succeeded by his son Thomas Reginald Grylls; and Carus-Wilson, noted above, succeeded A.C.P. Willyams (Matthews and Tuke 1926, 254-255). In 1937, Armstrong records as local directors Coode of St. Austell at the National Provincial, and Grylls of Lelant at Barclays; with Fox of Wellington a director at Lloyds (Armstrong 1937, 132).

Barclays were sought after by private banks as a merger partner in its early years; the relatively easy-going Francis Bevan, the first chairman, was inclined to grant a measure of continuing autonomy to the management of absorbed institutions (Ackrill and Hannah 2001, 59-65). The narrative of Matthews and Tuke (1926) is not without reason a biographical celebration of personalities; Local Directors were valued as agents of transition in the development of the new corporate structure.

The appointment of Frederick Goodenough as chairman of Barclays in 1917, from a joint-stock banking background at the Union Bank of London, ushered in a new corporate ethos. The bank would no longer be run as a conglomerate of private bankers. Goodenough was placed in a powerful bargaining position as managerial control became effectively separated from ownership. Besides negotiating large personal salary increases in a cash-rich environment, he also received large bonuses for the successful negotiation of new mergers (Ackrill and Hannah 2001, 68-69).

9.6.2 The final phase of amalgamations, 1906-1922

After the Devon & Cornwall Bank joined Lloyds in 1906 (Armstrong 1937, 46), banking in Cornwall was dominated by Barclays and Lloyds, which between them had absorbed most of the hitherto independent institutions in Cornwall. For the small private banks remaining into the twentieth century, eventual absorption was now inevitable; it was merely a question of when this would become an expedient necessity.

A survivor in Plymouth was the Plymouth Naval Bank; which had crossed the Tamar in 1876 to open its only Cornish agency in Saltash (Boase 1890, 1341). There were eleven other branches and agencies across south Devon by 1890 (Armstrong 1937, 42). Established by Harris, Bulteel & Co. in 1774, it had survived the calamities of 1825 (Hicks 1949, 288, 290) and subsequent vagaries of fortune. It had become operationally ossified by 1914 after many

years of increasing and unaudited dependence on illiquid investments. The management was irresponsible, the partners self-indulgent. It effectively failed in the face of the financial crisis that accompanied the outbreak of war. Saved by the enforced bank holiday, the remnant of the business was taken over by Lloyds, for a settlement of 5s in the £ (25%); this caused hardship, but assured continuity (Sayers, R.S., 1957, 215-216; Sayers, A., 2000; Roberts, R. 2013, 135-136 [1]).

Almost by prior arrangement through longstanding family connections, Fox, Fowler & Co., the last private bank with a right of note issue, and branches on the eastern edge of Cornwall, was absorbed by Lloyds in 1921 (Sayers, R.S., 1957, 267-268); the note issue was therefore extinguished under the terms of the 1844 Act. Bank of England notes were now the sole paper money in England, Wales and Cornwall (Clapham 1930, 522). In 1920, the St. Austell Bank had amalgamated with the National Provincial and Union Bank of England Ltd. (Armstrong 1937, 152); a latecomer in Cornwall, although it had had branches in Devon for decades. In 1922, it also absorbed Dingley's Launceston Bank (Armstrong 1937, 148); thereby bringing down the final curtain on the last act of independent Cornish banking.

9.6.3 The endgame of amalgamation: some characteristics

After 1918, two-thirds of all bank deposits in England, Wales and Cornwall were held by five large groups (Cassis 1994, 301); each operating nationwide and combining London and provincial functions in one organization. Within Lloyds Bank, this institutional growth is one of Sayers' principal themes. It is developed through a portrayal of `bankers tackling the problems of organization as they enlarged their business in the nineteenth century; and how they joined up with each other to form the nationwide Lloyds Bank' (Sayers, R.S., 1957, v).

[1] Roberts places the Naval Bank in Portsmouth; but his context is plainly Plymouth. There had been a Portsmouth, Portsea & Hants Naval Bank in earlier times, which had failed in 1814 (Outing 2010, 257).

The main concern of Matthews and Tuke was the historical validation of the emergent corporate entity of Barclays Bank Limited, regarding it as the legitimate and natural heir to the collective banking heritage of its constituents. They aimed to show in retrospect the expedient necessity of amalgamation and adaptation to change; with an advocacy and historical justification of the adopted system of management by local directorates (Matthews and Tuke 1926, 1-10). In a contemporary review of their work, Foxwell saw that amalgamation generally had brought new difficulties; it tended to `substitute inelastic “head office rules” for the unfettered discretion and intimate personal knowledge of the old owner-managers of the private banks’. He approved the practice of appointing the former partners of absorbed banks as local directors; for the `prominence of personal relations and questions of character’ eased transactions, beyond the mere possession of collateral and formal security (Foxwell 1927, 413).

The disadvantages of amalgamation lay in the increasing anonymity of financial institutions, as local identity was lost in the removal of the organizational and commercial focus away from both the immediate district and the region as a whole (Armstrong 1937, 60). Small organizations with few customers are dependent on the goodwill of each, and are accordingly responsive to individual requirements. Large organizations, which do not depend on individuals but think instead of classes of business, can select the business and customers they wish to accept as less risky or more profitable; satisfying organizational objectives (*pace* section 1.1, and Leyshon and Thrift 1995). The central management will no longer address and accommodate individually-identified needs at the micro level; but will instead manage through aggregated statistics at a macro level to achieve its objectives. Individuals may come and go as clients; but the preoccupation of management is with the overall performance of the organization (Rae 1890, 205).

The operational outcome of increasing size was that bank managers would come to make decisions according to the general state and prospects of the bank, rather than according to the needs of the client governed by local

conditions. External loyalties towards the customer would be redirected inwards within the organization. It was regarded as an advantage of amalgamation that management would become distanced from intimate but tangled local involvements, which in strict financial terms could become liabilities rather than assets (Armstrong 1937, 74-75).

In strategic terms, merger and branching was played as the prevailing game by banks seeking security and prosperity through enlargement – more branches brought more customers, reducing the impact of individual defaults and creating increased deposits, more opportunities for lending, enlargements of the capital base, greater liquidity, and enhanced security and stability – all advantages unavailable to the small country bank operating in one locality with circumscribed opportunities, and dependent to a greater or lesser extent on the continuity of dealings with its London agent (Armstrong 1937, 67-69).

The financial security of communities had increased as banking practices became regularized and reputations were enhanced. This was increasingly assured as the principle of joint-stock limited liability became more widely accepted. The reconstituted Cornish Bank offered a legislated security to its rescued depositors, in contrast to the anachronism that was the Redruth District Bank, with its initial reliance on pre-existent reputations as yet unproven in banking (sections 9.2, 8.7). Whatever the general fears concerning amalgamation, it came to be recognized that the greatest benefit to depositors came from the increased security that resulted from increasing concentration and larger institutions (section 9.5).

9.7 Summary of the spatial development of banking on Cornwall

To round off the narrative, an overall summary of the development of banking across Cornwall is presented in Tables 9.4 and 9.6; in which towns are listed in the order of the first appearance of their commercial banking facilities, showing their extent at ten-yearly intervals. These facilities include the first banking services offered by individuals - hence the prior claim of Bodmin, where George

Browne had reputedly acted as a banker since 1744 (section 6.1). At this level of resolution, transient operations falling entirely within these intervals, such as the incursion by the London & South Western Bank in the 1860s (section 7.6), are not visible. Apart from the rapid expansion between 1801 and 1811, much of it unsustainable, Table 9.4 shows that successful banks with branches and London connections were flourishing decades before the opening of the Cornwall Railway in 1859. They were sustainable through being deeply-rooted in their local communities in the Magens manner (section 5.4.2); and were not totally dependent on their London agents, like the St. Columb Bank in its last phase before failure (section 8.5). In the case of the Western District Banking Company, its branches, as continuations of predecessor businesses, remained sustainable in this way; while the company itself failed through lack of effective communication (section 7.4).

Table 9.4

Bank offices, branches and agencies, 1771-1851

	1771	1781	1791	1801	1811	1821	1831	1841	1851
Bodmin	1	1	1	1	3	3	1	2	1
Truro	2	2	2	2	3	3	3	3	3
Falmouth		1	2	2	4	4	2	2	2
Bude			1	1	1	1			
St Ives			1	1	1			1	1
Helston			2	2	2	2	1	3	2
Camborne			1					1	1
Goldsithney			1	1	1				
Polperro			1	1	1	1			
St Austell				1	1	2	1	3	3
Penzance				1	3	3	3	3	2
Padstow					1				1
Mevagissey					1	1			
Liskeard					1	1	1	2	2
Lostwithiel					1	1	1	1	1
Stratton					1				1
Launceston					3	2	1	3	3
Camelford					1	1	1		
Fowey					1				
St Columb					1	1	1	1	1
Redruth					1			1	1
Callington							1	1	1
TOTALS	3	4	12	13	32	26	17	27	26

Source: Compiled from branch data given in chapters 6, 7 and 8

Communications before the railway age in Cornwall were facilitated by a well-developed coaching and cartage network with scheduled services, as revealed by trade directories such as Piggott's of 1844; and the penny post, dramatically reducing business correspondence costs, was underway in Cornwall after 1840 as elsewhere in Britain.[1] Transport costs had been slowly declining throughout the eighteenth century, as infrastructure improved with the growth of the canal and (for Cornwall) turnpike networks. Together with coastal shipping,[2] these improvements were already eroding local differences and inefficiencies (Mokyr and Nye 2007, 55, 58).

Table 9.5

Bankers as subscribers to railway projects in Cornwall, 1846

	West Cornwall Railway	Cornwall Railway	Cornwall & Devon Central Railway [Not built]	Outside Cornwall
John Batten, Penzance	£2,000			
Joseph Hodge, Truro			£5,000	
Edwin Ley, Penzance	£12,000			£4,400
Robert Tweedy, Redruth		£4,725		£2,000
William Tweedy, Truro		£6,250		
William Mansel Tweedy		£8,000		
Edmund Turner, Truro	£2,200	£20,000		£33,875
John Vivian, Pencalenick	£2,000	£19,000		
Michael Williams, Trevince		£4,000		
Humphry Willyams, Carnanton			£12,500	

Also Richard Dingley (section 8.1), Launceston (Launceston & South Devon, £3,750)

Banks: Penzance (Batten; section 6.4.1)
Miners (Hodge, Willyams; section 6.2.7)
Mounts Bay (Ley; section 6.4.3)
Cornish (Tweedy, Williams; section 6.3.2)
Ricketts & Enthoven (Turner; section 7.4)
Helston Union (Vivian; sections 8.6.1, 8.6.3)

The bankers subscribed as individuals, not on behalf of their bank.

Source: PP 1846 *Railway Subscribers*

[1] CRO (Bolitho), X1009/8: A letter from Edward Coode in St. Austell to Thomas Bolitho in Penzance, dated 17 February 1841, carries a Penny Black stamp. Inaugurating the penny post, these were first issued in May 1840 (Stanley Gibbons Ltd 1968, 2; Woodward 1962, 48-49).

[2] Frequently used by Barclay Fox in his travels (Fox 2008, *passim.*).

Bankers generally, alongside other prominent and substantial members of their communities, were strongly in favour of railway development as a matter of commercial and social strategy. In the 1840s, rival schemes for bringing main line railways into Cornwall were well-subscribed by individual bankers prepared to commit themselves as shareholders, to the large amounts shown in Table 9.5. Of the lines shown, the Cornwall Railway was the one built across the Tamar from Plymouth; while the Cornwall & Devon, entering the county at Launceston, was not proceeded with. The West Cornwall completed the route from Truro to Penzance, and was authorized along with the Cornwall Railway on 3 August 1846 (Thomas, D.StJ, 1973, 130, 139).

Support for the competing Cornwall and Cornwall & Devon Central schemes was divided along political lines, with Conservatives favouring the Cornwall Railway, and Liberals the Cornwall & Devon. Among bankers, the Tweedys subscribed to the former, and the Miners' Bank partners (Willyams and Hodge) the latter. The otherwise Liberal *West Briton* was somewhat equivocal in its support (Thomas, D.StJ, 1973, 129-130). William Mansel Tweedy was active with Barclay Fox and Joseph Treffry in the promotion of the Cornwall Railway (Keast 1982, 145-149; Fox 2008, 352, 366-368); and Robert Tweedy was afterwards chairman (section 9.1). Subscriptions to lines outside Cornwall, at this time of the Railway Mania, were essentially speculative in character; many of the lines supported would not be built (Lewin 1936).

Some journeys within Cornwall were not greatly facilitated; both routes from Truro to Newquay, for instance, were circuitous. While the expansion of the rail network generally favoured the later growth of branch banking (Armstrong 1937, 109-110), reading Table 9.6 in conjunction with Table 9.4 shows that there is relatively little correlation between main line rail connection dates[1] and the opening of bank branches. Callington in particular had been heavily-contested for years before it was connected to the rail network.

[1] As distinct from earlier but purely local lines, such as the Bodmin & Wadebridge (Thomas, D.StJ, 1973, 156-158).

Table 9.6

Bank offices, branches and agencies, 1861-1921

[This is a continuation of Table 9.4, extending the same town order]

	Main line rail	1861	1871	1881	1891	1901	1911	1921
Bodmin	1859	1	2	2	3	3	3	3
Truro	1859	3	3	4	4	4	4	4
Falmouth	1863	2	2	3	3	3	3	3
Bude	1898				1	2	2	2
St Ives	1877	1	1	2	2	4	4	4
Helston	1887	2	3	3	3	3	3	3
Camborne	1859	1	1	1	3	3	3	3
St Austell	1859	3	4	4	5	5	5	5
Penzance	1859	2	2	3	4	5	5	5
Padstow	1899	1	2	2	3	3	3	3
Mevagissey	-			1	1	1	1	1
Liskeard	1859	2	3	4	4	4	4	4
Lostwithiel	1859	1	1	1	2	2	2	2
Stratton	1898	2	2	2	2	2	2	2
Launceston	1865	4	4	4	4	4	4	4
Camelford	1893		3	2	3	3	3	3
Fowey	1874		1	2	2	2	2	2
St Columb	1874	1	1	1	2	2	2	2
Redruth	1859	1	2	3	3	3	3	3
Callington	1905	2	2	2	5	5	5	5
Hayle	1859		1	1	1	1	1	1
St Just	-		1	1	1	1	1	1
Wadebridge	1888		1	2	2	2	2	2
Penryn	1863		1	2	2	2	2	2
Looe	1901		2	2	4	4	4	4
Newquay	1874			1	2	3	3	3
Saltash	1859			1	2	2	2	2
Grampound	1859			1				
Calstock	1905			1	1	1	1	1
Gunnislake	1905			1	1	1	1	1
St Blazey	1874				1	1	1	1
St Mary's (Scilly)	-				2	2	2	2
TOTALS		29	43	61	78	83	83	83

Sources: Compiled from branch data given in chapters 7, 8 and 9; dates of main line rail connections from Thomas, D.StJ, 1973, 129-163.

Most of the locations extant in 1861 were well-established; and predated the crossing of the Tamar by the Cornwall Railway at Saltash in 1859. This linking of Cornwall to the larger network was said by some to have `let in the Devil' (Thomas, D.StJ, 1973, 135). It would have facilitated both the early colonization attempt by the London & South Western Bank (section 7.6), and the later invasion by the Capital & Counties; as well as the later integration of Cornish banking into the amalgamated networks of the successor banks (section 9.6).

Cornish economic life had long been localized in small insular communities (section 5.1.1); there had been little need for a scale of organization larger than the private partnership. By the end of the century, the days of small local concerns embedded in their communities, however constituted, were largely over. The proliferation of large branch networks penetrated and challenged every former stronghold of country banking (Armstrong 1937, 131).

CHAPTER 10

Concluding analysis: the evolutionary development of banking in Cornwall

The characteristics and experiences of the range of institutions depicted in the previous narrative chapters are now brought together in the exposition which follows, using the theoretical perspectives introduced in chapter 4. Beginning with private partnerships, paths of institutional development can be traced through a growing corporatism to joint-stock banking, consolidation and amalgamation. Outwardly-similar banks faced widely-varying circumstances, making different strategic choices in consequence; nevertheless, the development paths for successful institutions were convergent in the long term on eventual amalgamation. By analysing successive negotiation processes, the nature of path dependencies in this convergence can be investigated. These processes are discussed in terms suggested by the writer's own commercial experiences (section 1.3), and those of George Rae (Rae 1890). The analysis begins with a consideration of the situations arising in private partnerships in section 10.1; while the conditions relating to joint-stock organization, consolidation and amalgamation are investigated in section 10.2.

10.1 Negotiation processes in private partnerships

Section 10.1.1 considers transactional dealings with clients, as exemplified in the basic banking function of negotiating loans. Section 10.1.2 discusses partnerships as negotiated coalitions of individual interests and objectives. Relations between institutions are considered in section 10.1.3.

10.1.1 Credit negotiations with clients

ADVANCING CREDIT: From the elements of game theory outlined in section 4.8, the negotiating process for advancing a loan can be conceptualized as a two-person game having a payoff matrix as shown in Table 10.1:

Table 10.1

Payoff matrix: negotiating with clients

		BANKER: Strategies			
		W	X	Y	Z
CLIENT:	A	Aw/aW	Ax/aX	Ay/aY	Az/aZ
Strategies	B	Bw/bW	Bx/bX	By/bY	Bz/bZ
	C	Cw/cW	Cx/cX	Cy/cY	Cz/cZ
	D	Dw/dW	Dx/dX	Dy/dY	Dz/dZ

Paired objectives:	Client	Banker
	A: cheapest rate	W: a good rate of return
	B: minimal collateral	X: secure collateral
	C: easy repayments	Y: reliable repayments
	D: indefinite period	Z: easy recall on demand

The banker has transactional objectives in the negotiation, represented by strategies W, X, Y and Z. The client has a corresponding set, A, B, C and D. These are paired as shown. Each element in the matrix represents two outcomes. For example, at Bx/bX, if the banker accepts the collateral offered, the outcome is Bx; if the banker demands and obtains more, it is bX. In some transactions, both parties may achieve their objectives: if for instance the client negotiates easy repayments and the banker obtains a good rate of return, then the outcome can be expressed as CW. In the converse case, if the loan is an overdraft and becomes non-performing, with no repayments and no further advances, the result is cw.

It will be realized that some outcomes are more likely than others. For example, Dz (indefinite extension of the loan) will only be a possibility in prosperous times of high liquidity; whereas dZ (recall on demand) could become contractually

enforceable. Outcomes can be assigned numerical proportions according to the relative bargaining strengths of the players. For predictive purposes, these become probabilities, with d + z = 1. In prosperous times for a strong customer and a bank with high liquidity, Dz might equal (0.6D, 0.4z). In straitened times, with the recall of loans likely, dZ might become (0.1d, 0.9Z). However, as noted above (section 4.8), there is insufficient transactional data visible in the present research for any sustained numerical analysis.

Outcomes also depend upon the strength and nature of the underlying relationship and the level of trust between the players. If the loan has already begun as an unauthorized overdraft for an important, maybe dominant customer, the banker may not be able to press for objective Z, and the outcome is Cz. Outcomes such as Dw (a cheaper rate for an indefinite period) will only be likely between friends or partners. The conditions of play are thus softened by friendship and familiarity (or by charitable concessions or political considerations); conversely, they can become hardened by corporate codification. Each aspect of the concluded deal is reflected in an outcome on the matrix.

In the formative years of banking, the banker's financial objectives, though tempered by ulterior motives, exhibit essentially *gesellschaftlich* characteristics. For the individual client, the loan is no more than a means to an end; usually for commercial purposes, but also likely to be *gemeinschaftlich* in nature. To the extent that the client's strategies prevail, the overall outcome, the sum of the game, can be regarded as *gemeinschaftlich*; if the banker's predominate, the result can be taken as *gesellschaftlich.*

In the early stages of the establishment of a bank, the bargaining positions of prospective clients may be strong relative to that of the banker, anxious for initial business and bold (or reckless) in seizing opportunities. There may be no set procedures or policy, only the uncertain principles of inexperience (Fitzmaurice 1991, 14). The client's objectives will then be dominant in the outcomes in the matrix. The initial contacts may be partly confrontational, with

the initial offers challenged by more insistent demands, countered in turn by revised offers.[1] Comparisons, overt or implicit, favourable or derogatory, may be made with other opportunities elsewhere (Rae 1890, 35, 39). The nature of these encounters is dependent on mutual familiarity: strangers will be more carefully assessed, while friends may be too easily obliged (Rae 1890, 34). In this way, Matthew Boulton as an outsider in Cornwall initially experienced difficulties in dealing with the Cornish Bank; while prominent locals like Blewett were advanced loans that had eventually to be recalled (section 6.3.1.1).

As the client becomes an established customer, a *modus vivendi* of mutual trust develops, based on the negotiated terms, formal and informal, of an ongoing transactional consensus. The banker acquires a better perception of the client's business and character, and the range of terms likely to have been acceptable; as well as an assessment of the opportunities and hazards which that business may have encountered. The client in turn gains a qualitative grasp of the integrity and abilities of the banker, and of the bank's employees who deal with the client's business. In its negotiations with clients, the bank would in a sense be negotiating its reputation in the business community.

The foregoing represents negotiations at the everyday, transactional level of business, as seen from a contemporaneous standpoint within the bank. The banker, if not the client, will however have had far more at stake than would have been brought into such visible negotiations. Partners of substance, like William Lemon or Francis Basset, had their entire wealth at risk under unlimited liability, far beyond the small capital they had invested in their banks. If they were merchants, the outcomes of transactional games elsewhere in their business would affect their bargaining strength as bankers, and the resources they could offer to clients - as was likely the case in the Fox family (section 6.5).

[1] A classic though anonymised example of this kind of situation, building up to a huge and ruinous unsecured overdraft advanced by the bank, is given in the *Circular to Bankers,* 9 (19 September 1828), 65-67. Batten & Carne ended this way (section 9.3.3); but banks could dictate to debtors dependent on long-term loans, as in Merthyr in 1826 (Roberts, R.O, 1980b, 382).

The negotiation process was thus layered, like the landscape in which it was conducted, with much larger issues in play at deeper levels (section 10.1.2).

RECALLING CREDIT: The converse situation, in which credit is recalled, is regarded by Rae as a matter for judicious sensitivity and forbearance, based on the actual ability of the debtor to pay rather than the willingness or otherwise to do so (Rae 1890, 64-67); with commercial imperative tempered by social empathy. For the Cornish Bank in the trying times of the late eighteenth century (section 6.3.1.2), entrepreneurial boldness in extending credit was matched by a degree of ruthlessness in withdrawing it. The relative bargaining positions of banker and client now favoured the banker, who took the initiative; but the client could, and did, play for time, with some originally pressing calls for repayment, like Blewett's, taking years to realize. The staged process of recall could be confrontational, and become a matter of legal process (Pressnell 1956, 309-311). In Figure 10.1 this sequence would move from Dz through (0.6D, 0.4z) and (0.4d, 0.6Z) to dZ, as the advantage passes through iterative stages from client to banker. As institutions matured, dZ might represent a longstanding overdraft converted into a mortgage, of which there are several archival examples as shown in Table 10.2. The resultant enhanced collateral then appears in the matrix as bX.

ACCEPTANCE OF COLLATERAL: A familiar friendly client, as much as a strong adversarial one, could force acceptance of doubtful collateral on the banker in return for generous loan accommodation (outcome Bw in Table 10.1). Assets which appeared more than sufficient in the beginning could, in the long term, be unrealizable. Examples given by Rae (1890, 96-124) include ships at sea; incomplete housing developments; rented property requiring upkeep; shares in non-paying mines. Any of these could result in the bank owning an unsaleable asset with heavy responsibilities of ownership, or maybe unrealizable because of prior claims by other parties. The involvement of Whitford and his executors in Cornish iron mining (section 8.5) may have begun as an enmeshment of this kind. The bank, unless the immediate background or involvement of the partners or managers was in the industry concerned (as was

often the case in Yorkshire – section 2.2.3), could not act as an efficient, or even as a successful manager of what it had acquired by default of the borrower. The banker, particularly in later times, was essentially not a shipowner or landlord (Rae 1890, 122-124); although this was less the case in the early days before financial specialization set in, and professions were less distinct and abilities more adaptable (section 3.1). Unlike an insurance company or investment trust with no running transactions on current account, the bank was dependent on liquidity, and could not take on long-term risk (Rae 1890, 113).

Table 10.2

Examples of mortgages securing bank accounts

Source: Cornwall Record Office as stated.

CRO reference	Date	Bank	Branch	Client
X333/21	19 June 1851	Batten & Carne	Penzance	Cornish & Vivian
X333/27	27 December 1859	Batten & Carne	Penzance	Vivian
TLP/663	11 May 1866	West Cornwall	Redruth	Moore
X634/56	5 February 1881	Redruth District	Helston	Carter
WH1/1/5228/1, 2	12 September 1889	Miners	St. Columb	Roberts
WH/1/898	21 December 1889	Miners	St. Columb	Tremaine
X888/1	10 August 1899	Cornish	Helston	Broad
X542/360	15 August 1900	Cornish	Redruth	Stephens
X511/7	7 October 1903	Devon & C'wall	Launceston	Eveleigh
PP/108	28 June 1904	Dingley	Launceston	Jewell

Larger corporate organizations could take individual cases of illiquidity in their stride, at a level which would have been an overwhelming challenge to small banks. The scale, however, is relative; the West of England & South Wales Bank, a much larger institution than any of the Cornish banks, failed in 1878 while struggling to manage two unsuccessful industrial concerns on the verge of collapse (Armstrong 1937, 23-24).

Negotiations with clients were essentially at the transactional level; a series of finite games and concluded deals. While the starting position of the ongoing relationship with a client may have been one of prior association in a *gemeinschaftlich* sense at a deeper level, it would come to be determined in a

more contractual manner by the cumulative effect of the satisfactory and unsatisfactory outcomes of these dealings. The overall ongoing transactional position of the bank itself would be an aggregation of the dealings with all its clients. The scope of the business as a whole, and its limitations, would be determined in part by a similar series of transactional negotiations with its London agent and other sources of funding (section 10.1.3.1).

10.1.2 Negotiations between partners

Partners in Cornish banks could and did retain a high degree of independence in their outlook and actions (section 5.4.2.3). There were degrees of associativeness. Andrew Vivian, who never stayed long in partnerships, remained aloof from banking involvements. John Wallis and George Browne were occasional collaborators in Bodmin; while the early experience in Launceston was one of instability and dysfunctionality (section 6.1.1). In the North Cornwall Bank, it was one of sharply-conflicting interests (section 6.6.1). There were degrees also of commitment, lacking in the North Cornwall. Proprietorial interests like that of Rodd in the Miners' Bank (section 6.2.5), or of the Williams family in the Cornish Bank (section 6.3.2), could be content to delegate managerial responsibilities. These, in the hands of James Willyams or the Tweedy family, represented a deeper involvement. Deeper still were the familial connections in the Bolitho partnerships (section 6.4). The deepest commitment of all was that of Cordelia Vivian, at one point the sole remaining partner in the Helston Union Bank, with heavy liabilities (section 8.6.3).

In contrast to the transactional negotiations with clients, as just described (section 10.1.1), the negotiations between partners were at a deeper level; an ongoing process, rather than a series of finite transactions, and less of a matter of explicit negotiation. Avoiding the complexities of the payoff matrix of a game with up to six persons, it is more convenient to consider partnership relations in terms of individual two-person games between one partner and the partnership as a whole. A game might be played at the transactional level, say of

negotiating an unsecured running overdraft; or it might be a negotiation over issues of policy or principle at a deeper, even fundamental, relational level.

The payoff matrix in Table 10.3 is for a negotiation between one partner (the `negotiating partner') with strategies A, B and C; and the remaining partners, who have individual strategies V, W, X, Y and Z. The negotiation is conducted within a broad consensus, crystallized in a formal deed of copartnership like that of the Miners' Bank (section 6.2.2); which defined the role, obligations and benefits of each partner, and made provision for the arbitration of disputes.

Table 10.3

Payoff matrix: negotiations between partners

		OTHER PARTNERS: Strategies				
		Partner V	*Partner* W	*Partner* X	*Partner* Y	*Partner* Z
NEGOTIATING	A	Av/aV	Aw/aW	Ax/aX	Ay/aY	Az/aZ
PARTNER: Strategies	B	Bv/bV	Bw/bW	Bx/bX	By/bY	Bz/bZ
	C	Cv/cV	Cw/cW	Cx/cX	Cy/cY	Cz/cZ
Underlying strategies	D	Dv/dV	Dw/dW	Dx/dX	Dy/dY	Dz/dZ
	E	Ev/eV	Ew/eW	Ex/eX	Ey/eY	Ez/eZ

	Negotiating Partner	Partnership as a whole
Objectives:	A: unlimited overdraft	Overdraft kept to terms
	B: *fait accompli*	Withdrawal and censure
	C: withdrawal of capital	Retention of relationship
Underlying:	D: personal, social, political	Stricter financial objectives
	E: social and familial dealings	Business contractually-determined
	[Others]	[Others]

The pairing of objectives is between those of the negotiating partner (in this case taken to be asking for an overdraft) and those of the partnership as a whole; objectives which are either explicitly agreed, or implicit in the copartnership agreement. Each of the other partners (V, W, X, Y or Z) assents to the official partnership objectives, but in varying degree. In other situations, other games, each and any of them could equally take the role of negotiating partner. Whatever the issue, the basic negotiating process would be similar. It is possible for these objectives to be reversed; for example, the `negotiating

partner' might be urging stricter financial objectives on a socially and politically oriented partnership.

Strategy A in Table 10.3 will succeed if a majority of the other partners can be persuaded. Such persuasion will be assured if ultimately the repayment can come from the borrower's estate, even if the overdraft is not covered by present security. Strategy B will not perhaps find favour with the other partners; but will be mitigated by the negotiating partner's standing with one or more of them. Strategy C is a last resort at the transactional level; a threat that could be implemented if opportunity exists elsewhere. Strategy D underlies strategy C, with the partner's personal objectives outside those of the partnership being prioritized. Strategy E lies deeper still, involving wider familial or political concerns. There may be other issues at stake beyond these. Examples can be cited from the Cornish narrative as follows:

Strategy A: At the Cornish Bank, a limit of £1,000 was placed on partners' overdrafts after 1812 (section 6.3.1.1). John Williams argued for an exemption, due to the demands from his mining interests. His charismatic and dominating character would have determined the outcome in Table 10.3 as (Av, Aw, Ax, Ay, Az).

Strategy B: John Buller's account with his own bank, Lemon, Buller, Furly & Lubbock, in 1772-1773 (section 6.2.4): his early overdrafts may have caused little concern with the other partners as they were quickly repaid. When he ran up £2,000, however, he was rescued by his brother-in-law and fellow partner William Lemon. The outcome would have been (Bv, bW, bX, bY) if unsatisfactory to the other three partners.

Strategy C: Far beyond questions of overdrafts, John Michael Williams, as part of a wider family dispute in 1862, imposed strategy C on the Cornish Bank, withdrawing his capital and taking the Redruth branch in settlement (section 6.3.2); outcome was (Cv, Cw) for the remaining partnership, which had to be strengthened. Deeper issues were involved, playing strategies D and E.

The managing partner's role could therefore become one of the reconciliation (or quasi-reconciliation) of conflict as it arose, while at all times meeting the demands of the bank's customers and maintaining short-term liquidity. This last would be the overriding objective; and liquidity as well as profitability might, in the worst cases, have to be achieved despite the partners' individual actions. Outcomes such as aV, dY and eZ would have to be enforced. The bank's copartnership agreement, in allowing for arbitration, could ameliorate the development and outcome of such situations; as in the case of the Miners' Bank. There would also commonly be a provision for partners exiting the partnership; which itself might require renewal or renegotiation at the expiry of a fixed term (sections 6.2.2, 6.2.5). The complex negotiations which altered the partnership constituency of the Liskeard District Bank in 1879 were likely to have been iterative in nature, with separate settlements for Burgess and Hawke (section 8.4). In loosening coalitions like the ephemeral Launceston banks, or the North Cornwall, coherent business policy would be lacking, with each of the partners extracting what they could from the business (Ay … Ez). A similar but more benign matrix result obtains for Andrew Vivian, who did not allow his copartnership agreements to outlive their usefulness; he avoided overcommitment (section 6.1.1).

Rather than following some idealistic moral prescription of the times (Hoppit 1987, 173, and section 5.1.4), the partnership would be conducted at the intersection of the individual partners' mindsets, ethical outlooks and experience, wherein a workable organizational equilibrium would be achieved. Beyond this circumscribed subset, outside the bank, the objectives and attitudes of individual partners could be very different. The latter days of the Tweedy Williams partnership can be seen as the most marked example of such a *modus vivendi* (section 6.3.2).

10.1.3 Relations between institutions

For Cornwall, there is little direct documentary evidence of attitudes to other banks; only glimpses in times of crisis (Hicks 1952, 473), when there was both

empathy and opportunism (Fitzmaurice 1991, 26; and section 9.1). Rae counselled a positive, tolerant attitude to competitors, without reaction and countermeasures (Rae 1890, 192-196). There were, for instance, regular weekly settlements between the East Cornwall and South Cornwall Banks in St. Austell (Hicks 1952, 474); but on the other hand, antagonism between the new Redruth District Bank and the reconstituted Cornish Bank in 1879 (section 8.7). The relationship of a bank with its London agent is considered in section 10.1.3.1; while the negotiational strategies of `old' and `new' banks are considered in 10.1.3.2.

10.1.3.1 Relations with London agents

To a London institution acting as an agent for country banks, the relationship with its correspondents was essentially that of banker and client, as already noted (section 10.1.1); with the difference that the transactions were set on a routine procedural footing which represented a long-term commitment. In the overall drift of successive transactions over a period, the advantage would shift from one to the other. Pressnell cites examples which illustrate this, but not from Cornwall (Pressnell 1956, 80-82). In times of prosperity, the London agent might receive a good rate of return, while the country client would enjoy easy terms. In the payoff matrix in Table 10.1, this would be represented as (AW, BW, CW, DW). Conversely, in conditions of adversity, the agent might demand more secure collateral, prompt settlements, and early recall of advances (aX, cY, dZ). The North Cornwall Bank was in this position at the beginning of 1819 (section 6.6.1; and Lewis 2002, 56).

10.1.3.2 Old banks and new banks

The situations arising from dissatisfactions with existing banking facilities have been discussed in section 8.2. The established banks in an area, typically having traded for decades, would have built up large customer bases,

generating seemingly assured levels of business; leading perhaps to a degree of complacency, but tempered by operational experience (Collins 1984, 46). Negotiational strategies aimed at the containment of risk would begin to take precedence. In the perspectives of sections 4.1 to 4.3, such institutions have become legal-rational and *gesellschaftlich* in their increasingly corporate nature. At the transactional level of negotiations represented in Table 10.1, the *belief* may be that the client is being offered a good deal, such that the outcomes are (AY … DZ); when in practice they are actually (aY … dZ). In the face of new competition offering prospective clients outcomes closer to (Ay … Dz), reliance will be placed by the established banks on sustainable relationships and customer loyalty at a deeper level. In the case of the East Cornwall Bank, the new competition seems to have been met by setting up new agencies; extending its transactional scope on an enlarging socioeconomic base (section 6.4.5).

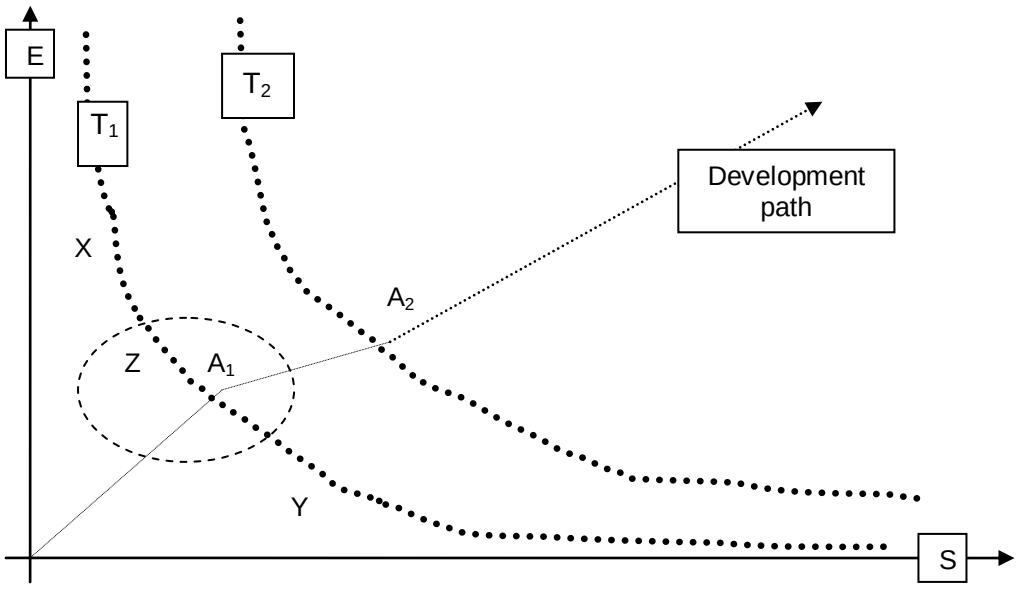
The negotiating strength of a newly-established bank such as the South Cornwall (section 8.4) can also be examined at the transactional level using Table 10.1. On first opening for business, the new bank would have been something of a known quality in the community, based on the reputation of its partners; and prospective customers would accordingly have had expectations. In other words, it had an establishment at a deeper level in the layered landscape, more comparable to that of the existing institutions. The dangers identified by Rae, and noted in section 8.2, could be largely averted by this characteristic. There would have been a need to offer (Ay … Dz); but not to accept risky or marginal business. For the Redruth District Bank, the deeper base of partner reputations was advertised; but transactions were less forthcoming (section 8.7). The London & South Western Bank could only conduct itself at the transactional level; being an unknown outsider with no place in the communities it sought to serve (section 7.6).

10.1.4 Evolutionary processes

The operations of a bank consist in sequences of actions that result from negotiated decisions made in the game-theoretic manner just described. The choice sets within which decisions are made can be visualized as being embedded within the wider field of action which, recalling the rationale of figure 4.1 is defined by axes of economic rationality and social responsibility. In **Figure 10.1**, the field of action for a particular institution is more narrowly defined between the axes `E' and `S', representing the social and economic components of individual transactional decisions, and embodying the factors listed.

Figure 10.1

Financial decisions in the socioeconomic field of action



Shape of curves T_1 and T_2 – see text

E axis (economic rationality)	S axis (social responsibility)
Economic capital	Social capital
Formal collateral from strictly-defined assets	Informal collateral based on trust
Gesellschaft ethos	*Gemeinschaft* ethos
Strict financial objectives	Personal, social, political objectives

For a new private bank beginning in the earlier years of Cornish banking, decisions would be required in the first instance on credit advances. As in Figure 4.1, the axes of Figure 10.1 measure `discursive strength'. Although not directly quantifiable, this can be understood in terms of credit ratings as follows. A client, X, offering impeccable financial collateral will have a high rating on the E axis; advances can be readily justified in rational economic terms. Another client, Y (who might for example be a partner in the firm), can be implicitly trusted for large unsecured amounts, and would be rated highly on the S axis. In rational economic terms, this is a higher risk, carrying a higher discursive justification: that is, a stronger case has to be made for undertaking the transaction. A high E rating is thus economically rational but may need social justification; while a high S rating indicates social desirability, but may be lacking in economic justification.

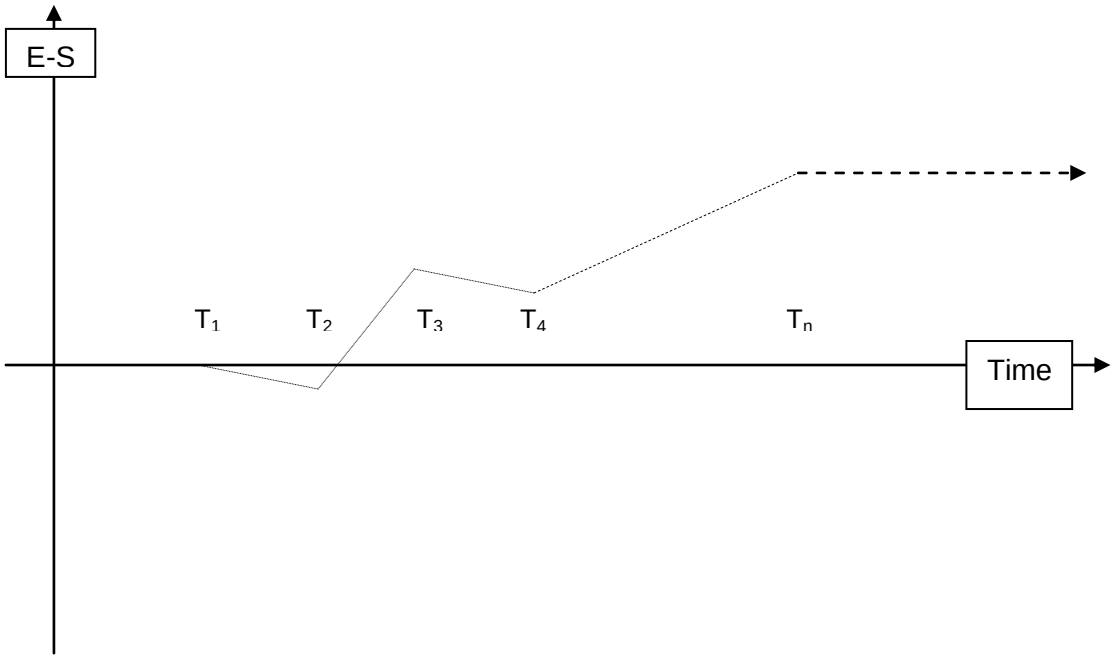
Conceptually, each credit decision is a resolution of E and S components, located in the space defined by the E and S axes. Individual transactions can be plotted in this space; and are determined by the strength and nature of the relationship between banker and client (whether *gemeinschaftlich* or *gesellschaftlich*), as well as their relative and possibly confrontational bargaining strengths. They are the summated outcomes of two-person games as discussed above (section 10.1.1). A large loan to client X, with corresponding collateral, will be located high up on the E axis, with any non-monetary consideration moving it somewhat to the right to position X. A similar loan to client Y, made on trust but with some collateral, is similarly located at Y. Most loans would be for smaller amounts, some perhaps with security at some discretion; and would be clustered in the area Z. In a well-run institution, this area will gravitate towards the E axis; while in one run on more ulterior or irresponsible lines, it will be aligned more closely with the S axis.

The locations of transactional decisions within the field of action reflect the negotiated state of the partnership (section 10.1.2), which represents the partners' greater or lesser social consciousness in their pursuit of profit; or if they had some overriding, typically political, agenda which compromised the

financial performance. Outcomes in the ongoing negotiations between partners determine the priorities in both the transactional and strategic decisions made by the partnership. At the end of the first trading period, the transactions can be plotted as suggested, and a notional line of `best fit', T_1 can be drawn through the resulting scatter diagram. It will have a shape similar to that shown. Its irregularity as drawn indicates its stochastic derivation (Dirring 2007b, 48). The irregularity will be greater for smaller banks with fewer transactions. T_1 is asymptotic to both axes if there are no `pure' E or S deals, or very few large ones; with the majority of transactions, relatively small in size and individually low in risk, located close to the origin. The average position A_1 may not lie on the curve and in exceptional cases may not lie within Z; it is a plot of the mean E and mean S ratings. This procedure is repeated for the next trading periods, T_2 … T_n. A line drawn from the origin, through successive average positions A_1 … A_n, will represent the *development path* of the business. However, this second iteration takes place in the same space as the first; and T_2, far from representing increased business at higher risk, may rather be very similar, even congruent, to T_1.

Figure 10.2

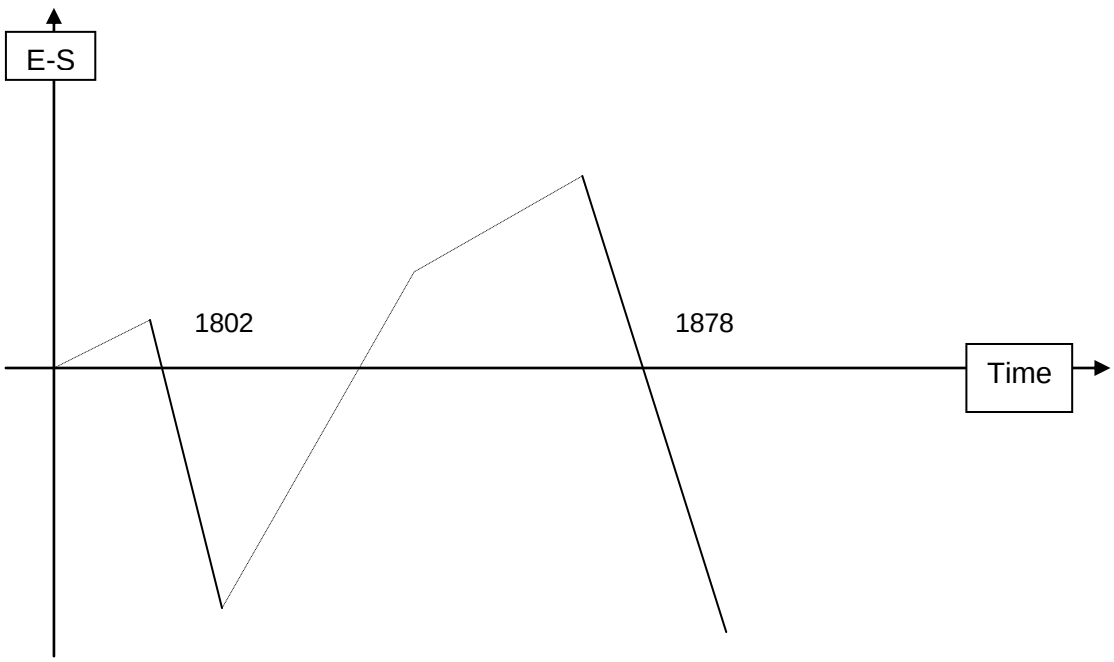
Projection of development path



A third axis would thus be needed to show the time dimension. Instead, **Figure 10.2** can be used, in which time is plotted on the horizontal axis, showing the successive trading periods T_1 … T_n. The vertical axis (E-S), measured in the same notional discursive units used in Figure 10.1, is a subtraction of S values from E values. The position A_1, which in Figure 10.1 has been drawn to represent equal values of E and S, becomes located on the horizontal axis (E-S=0). E-orientated decisions (E-S>0) thus lie above the horizontal axis; while those with an S orientation (E-S<0) will lie below. The development path shown in Figure 10.1 therefore runs along the horizontal axis in Figure 10.2 to A_1; then drops below the axis to A_2, which has been drawn in Figure 10.1 with a stronger S component. Thereafter the path may fluctuate through successive periods. Historically, as the narrative in chapters 6 through 9 has shown, decisions ultimately become rationalized wholly in favour of E; and the development path approximates to a horizontal line, which will show a downward tendency if the bank has become risk averse in its outlook.

Figure 10.3

Simplified development path for the Cornish Bank



A simplified example of a development path as projected in Figure 10.2 is provided by the Cornish Bank, with its two significant instances of borrowing by partners; and is shown in **Figure 10.3**. The bank's rigorous lending policy at the outset was compromised until 1802 by the accumulating partially-secured debt of Humphry Mackworth Praed (section 6.3.1.1); shown by the sharp downturn in E-S. Thereafter, under Tweedy management, the general upward trend was resumed; until terminally undermined by the unsecured borrowings of Sir Frederick Williams revealed after his death in 1878 (section 9.1).

10.1.5 Path creation and path dependency

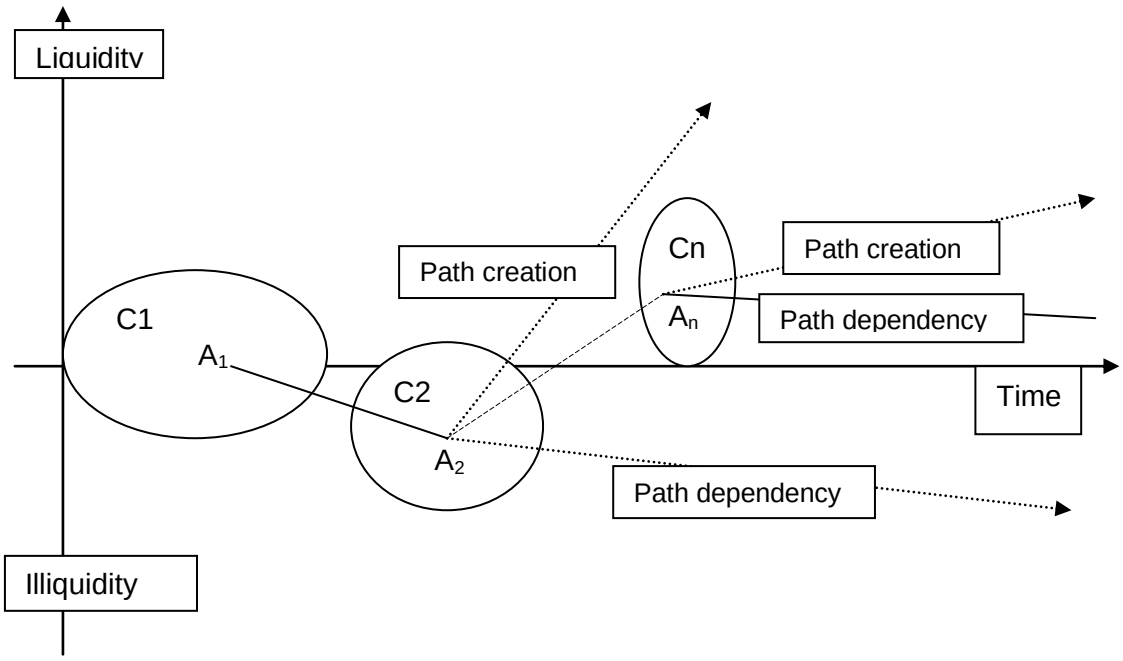
While the ideals and objectives resolved at the outset between the partners will set the bank in its initial position in the field of action, its operational performance will determine its subsequent development path. Alongside the rules and emerging culture of the institution, the choices made and negotiated in one period will form part of the `foregoing imprint' (Schreyögg and Sydow 2011, 324) influencing the choices to be made in the next; which thereby become constrained or enhanced by the consequences of previous actions.

From a standpoint within the bank, such as that of the clerks who maintain the ledgers, transactions either increase or decrease liquidity. Cash deposits increase it; while advances made against immediately-realizable collateral support it, as does any economically-rational activity above the horizontal axis in Figure 10.2. Anything below the axis, such as unsecured advances made on trust for whatever purpose, will be regarded from inside the bank as possibly irrecoverable on demand and therefore illiquid. Mortgages against property (not quickly realizable), and other loans with deficient collateral (listed by Rae 1890, 91-124) will be similarly categorized. The vertical (E-S) axis in Figure 10.2 can thus be more strictly defined as measuring the degree of liquidity supporting transactional decisions; and is reassigned in this way in **Figure 10.4**. The average positions A_1 … A_n achieved in each trading period are shown in their successive choice sets C1 … Cn; and reflect the overall strength or weakness

of the bank's negotiating ability. The position achieved within the initial choice set C1 is a bargaining outcome partly determining the choice set in the next period, C2, which may be reduced in scope. This might be regarded as a `critical juncture' (Schreyögg and Sydow 2011, 323). In it, a new position A_2 is the outcome of the next period's negotiations; and has opportunities to be seized to create new development paths.

Figure 10.4

Path creation and path dependency



Otherwise, a downward path dependency can originate with a narrowing of choices, and is confirmed by their increasing diminution in succeeding periods. In the proto-banking period (section 6.1), this could quickly lead to an early exit for experimental practitioners out of their depth. At the Helston Union Bank, shrinking business, bad debts, and mounting losses caused an increasing drain on Mrs. Vivian's estate; on which large mortgages had created prior commitments that impaired the scope for further support, and more particularly the ability to respond to external crises. James Vivian possibly joined his mother in a renewed family partnership at one such critical juncture, loyally prolonging the life of the business with fresh capital for a few more years; but to no avail (sections 4.11, 8.6.3).

The choice set could also include options available beyond immediate local opportunities and the existing customer base, in more remote and unfamiliar areas; where direct knowledge was maybe lacking, and decisions depended instead on how well the issues are represented. The state of liquidity may have demanded excessive risk-taking to increase the incoming cash flow; a situation suggested by the circumstances of the St. Columb Bank and its London agent (section 8.5). This bank was locked in to a downward path dependency, to an irretrievable extent which became precipitous in May 1866 in circumstances beyond its control.

The future choice set Cn represents a critical nodal moment or juncture in organizational development. Perhaps with original charisma long succeeded by legal-rational mediocrity (section 4.3), there may only be one choice available, amounting to a policy decision between an onsetting downward path dependency, and bold action outside the prevailing mindset resulting in upward path creation - a stark situation that might perhaps have been avoided by better decisions made in earlier periods when the scope for action was wider. Alternatively, entrepreneurial charisma could have been succeeded by sound, steady, `traditional' routines, in which success resulted in complacency, and the administration of prosperous existing business took precedence over the development of new opportunities. Progress could become locked in to a successful but risk-averse formula, avoiding uncertainty; but setting a steady trajectory (flatly horizontal in Figure 10.2) which could lead eventually, in altered circumstances, to a well-respected but now obsolescent institution - as would seem to have been the case with the St. Austell Bank by 1920 (section 6.4.4).

While current choice sets address present and future opportunities, they are also the legacy of past actions. The decisions reached within each successive choice set are determined by the mindsets of the partners and managers, their aptitude for innovation, their negotiating skills, and the strength and adaptability of the bank's operational procedures. A constraining choice set such as Cn in Figure 10.4 might be reached if, for instance, the collateral for a major loan has deteriorated to the extent that its liquidity value has become ineffectual owing to

the difficulties of recovery. The borrower defaults; and the bank have the management of an unfamiliar asset which soon becomes a difficult liability and obsessive preoccupation (Rae 1890, 120-124). This was the ultimate and unsustainable position of the West of England and South Wales District Bank in 1878 (section 9.1). In Cornwall, the St. Columb Bank's body of iron ore may have been a similar doubtful asset (section 8.5). Finally, position A_n could be the point where the choice was between either imminent failure or takeover; as it was for the management of the Penzance Bank in 1896 (section 9.3.3).

10.2 Corporate negotiations in joint-stock organizations

In terms of Figure 10.1, the operational start in a *gesellschaftlich* joint-stock bank, whose choice set and field of action are strictly financial in scope, will be made from a position on the E axis of commercial viability. Operationally, the job is practically the same as in a large private partnership with delegated management (section 8.8, *pace* Collins 1984). Transactions with clients are negotiated in the same way between individuals, as already described above for private banks (section 10.1.1.2); with the difference that the banker has become a manager, acting as the corporate agent of the shareholders with much less discretion, and with procedures to follow. The first outcome in the payoff matrix in Table 10.1 will generally be aW in favour of the bank, rather than Aw in favour of the client; exceptions were subject to explanation and censure, as they were at the London & South Western Bank (section 7.6). It was seen that there were no pre-existent *gemeinschaftlich* relations moderating the governance of this bank; all relations, all accountability, was according to the procedures and obligations of *Gesellschaft*. In contrast, the earlier establishments of the Devon & Cornwall Bank and the Helston Banking Company (sections 7.3, 8.6.2), though contractually-determined, had been founded on a *Gemeinschaft* heritage.

10.2.1 Negotiations between managers and shareholders

Where in a private bank the manager was directly answerable to the owning partners, in a joint-stock organization the contractual accountability was to the shareholders, who had no direct control over operations. They could only challenge their board of directors at a general meeting, or in exceptional circumstances raise a shareholders' committee to investigate the affairs of the company. In the protracted winding-up of the Penzance Bank, it was the liquidator who was answerable to the annual general meetings (section 9.3.3). Potential and actual conflict can thus arise between shareholders and management, each with separate and possibly conflicting sets of objectives. The resulting payoff matrix is shown in Table 10.4.

Table 10.4

Payoff matrix: negotiations with shareholders

		SHAREHOLDERS Objectives and conditions				
		P	Q	R	S	[others]
MANAGEMENT	**A**	Ap/aP	Aq/aQ	Ar/aR	As/aS	….
Objectives and	B	Bp/bP	Bq/bQ	Br/bR	Bs/bS	….
requirements	C	Cp/cP	Cq/cQ	Cr/cR	Cs/cS	….
	D	Dp/dP	Dq/dQ	Dr/dR	Ds/dS	….
	[others]	….	….	….	….	….

Objectives:	Management	Shareholders
	A: acceptable profitability	P: maximize profit
	B: liquidity	Q: adequate return
	C: risk avoidance	R: security of investment
	D: bonuses and emoluments	S: rewards for performance
	- reinvestment	- greater efficiency
	…. [Others] ….	…. [Others] ….

Some of the basic features of joint-stock banking organization have been introduced in section 7.2. Both management and shareholders agree that the prime objective of the business is to make a profit; which in Table 10.3 is emphasised in outcome Ap/aP. However, there are different expectations of `profitability'. Larger shareholders will be measuring their returns against those

from their other investments; while some smaller shareholders may depend on their bank shares for their incomes, and will hope for the highest return obtainable.

The management, on the other hand, will have other claims on the operating surplus, which cannot be wholly distributed in dividends. In settled, prosperous times, these could include reinvestment in assets; increasing staff salaries (maybe to keep their loyalty); or increasing their own personal incomes through bonuses and emoluments. The maintenance of liquidity and the containment of risk were, however, high priorities; and at times could become overriding objectives (Bp, Bq, Br, Bs; and Cp, Cq, Cr, Cs). The declared dividend, a matter of judgment rather than negotiation, will be calculated to satisfy the perceived expectations of the shareholders, and present an image of the bank as a sound investment and profitable institution. The outcome will be Ap rather than aP, as the management hold the initiative. However, if it is unpopular, the next dividend may well reflect aP. Across the matrix, however, other outcomes may not be strongly contested, and have less determinate resolutions; indeed, many of the paired objectives of managers and shareholders listed in Table 10.3 could be complementary and often congruent. The list is not exhaustive; and to a degree is hierarchical. In later eras, greater negotiational importance could be attached to objectives such as that regarding bonuses and emoluments (section 9.6.2).

The workings of this process can be further illustrated with some reference to the joint-stock banks operating in Cornwall. In the early years of the Devon & Cornwall Bank (section 7.3), the first directors may have been mindful of the recent failures in their private banking heritage, and proceeded with caution along a path of strict commercial viability. Liquidity and risk avoidance (as in Kingsbridge) were seen as the means of achieving sustainable profitability; borne out in their high declared dividends. For the shareholders to achieve aP and cR, the management would have to achieve Bq and Cp. In conceptual terms, the game has become a linear programming problem (section 4.8).

At the Helston Banking Company (section 8.6.2), with its small number of familiar shareholders, and the freedom of unaccounted action allowed to the management, every outcome was in favour of management (Ap .. Ds ..). Poor, unchallenged accounting practices led to bad decisions and a diminishing choice set in a shrinking field of action, and a downward path dependency; but it took many years to reach a position equivalent to A_n in Figure 10.4.

10.2.2 Consolidation and amalgamation

The first stage in the formation of the Consolidated Bank was the merger of the two Bolitho interests in 1889, and a conversion to joint-stock status with limited liability (section 9.6). It was essentially the consolidation of two large, expanding and corporatizing banks that had always been connected through their interlocking partnerships. The negotiation process that completed the deal, and brought in the other partners and some important customers as shareholders, may be regarded as having been a series of two-person games after the manner of Table 10.2 above. The outcomes of these negotiations were favourable to the erstwhile partners, but their summation represented the last stage in the transition from a *Gemeinschaft* to a *Gesellschaft* mode of organization. When the bank was enlarged the following year by absorption of other Cornish banks, the negotiation process can be considered as being effectually between partners representing their banks on the one hand, and the corporate entity of the Consolidated Bank on the other.

In Table 10.5, a situation such as this, applicable to more general cases, is represented as a two-person game; between on the one hand the corporate absorbing bank, whose strategies represent different aspects of the amalgamation offer, and on the other the partnership being absorbed, whose strategies consist in the individual objectives of its partners.

As it was the partners themselves that legally made contracts,[1] and not the partnership itself, the absorbing bank would perforce address the partners and their concerns individually.

Table 10.5

Payoff matrix: absorption of private banks

		ABSORBING BANK: Offers			
		V	W	X	Y
ABSORBED	A	Av/aV	Aw/aW	Ax/aX	Ay/aY
PARTNERSHIP:	B	Bv/bV	Bw/bW	Bx/bX	By/bY
Partner	C	Cv/cV	Cw/cW	Cx/cX	Cy/cY
Objectives	D	Dv/dV	Dw/dW	Dx/dX	Dy/dY

Partner objectives	Bank offers
A: Continuing influence	V: Directorship
B: Enhanced income	W: Shareholding
C: Continuity for customers	X: Reassessment
D: Continuity for staff	Y: Review of positions
…. [Others] ….	…. [Others] ….

The partners, in pursuing their own objectives in the negotiation, would also be representing the business they had nurtured for so long in the spirit of *Gemeinschaft.* For example, in seeking their own personal settlements, they might seek continuity of employment for their loyal staff, and ongoing favourable terms for their loyal customers, for whom the absorbing bank's conditions of business may not be so accommodating. In the payoff matrix, some outcomes will be made conditional upon the results of others. A more altruistic partner, for example, may not accept personal favour (Av or Aw) unless Dy for staff or Cx for a loyal customer were also conceded; in which case Ax and Ay would also result. Those appointed to local directorships in the absorbing bank (section 9.6.1) would have an outcome of aV: some local influence, with an overriding corporate responsibility. To a large degree, the overall outcome of the game will be predetermined, with the amalgamation desired on both sides.

[1] This is shown in documents across the archives; but for specific instances, see the citations in Table 10.2.

The bank being taken over might be approaching the critical nodal moment in its development path (Figure 10.4), as was the case with the Cornish Bank in 1902 (section 9.7.2); and might have made the first overtures. This can be thought of as the common lot of numbers of small banks in the first decade of the twentieth century (Ackrill and Hannah 2001, 59-62). The partners will be deploying an exit strategy for the business as a whole, and favourable terms for themselves.

The two parties may have been competitors in contested towns, with the bank being taken over in a difficult position – or the absorbing bank may be taking the opportunity of eliminating competition. Engaged in a policy of strategic expansion, it will be making the most of the situation offered; but may be generous with concessions, particularly if there is a rival bidder in prospect. Not every outcome in the matrix is realised. Some will be of no importance to the players, and will then be assigned a value of zero. Some strategies might be `dominated' by the main issues, and never played (Naylor and Vernon 1969, 433); these can then be eliminated from the analysis.

Negotiations like these were the endgame in Cornish banking, first with the remaining private partnerships, and then with their corporate successors. The payoff matrix in Table 10.4 is also applicable to wholly corporate negotiations, in that strategies A, B, C, D etc. and V, W, X, Y etc. now both relate to managerial objectives. The extent to which they also represent the desires and requirements of their shareholders will be a matter for negotiation in the game in Table 10.3.

Managerial attitudes in private partnerships which favoured caution and stability above growth could only create path dependencies, leading in every case to eventual takeover by larger outside institutions. Conservative strategic choices in the face of decline contributed to the `paralysis' characteristic of Payton's third phase in peripheral development (section 5.5.3). Locally-promoted banks were ultimately unsustainable as transactional conditions and opportunities altered; absorption into external institutions ultimately resigned local initiatives

to centralized direction, and the corporate pursuit of external rather than local objectives (section 9.6).

10.3 Conclusions in the twenty-first century

The foregoing analysis has shown something of the processes of evolutionary development of banking in Cornwall. In addressing the research objectives set in section 1.2, it has been seen how the development of banking in Cornwall, and its institutions, was instigated and initially developed through the agency of individuals, working within the structures of socially-determined forms of economic organization, and promoting familial interests and values. This began in an economy dominated by dynastic family groupings (section 5.2). From a standpoint set within the perspectives of Tönnies and Weber (section 4.1), business organization has been seen as developing from the social relations of the household and extended family estate (sections 3.1, 5.3) into a wider world of separated, formal, contractually-determined economic relations. Banks which had been characterized by the individual charisma of a Lemon, Basset or Praed who had set the pace in the beginning was transformed by degrees into the steady legal-rational businesses of their later successors (sections 6.2 and 6.3).

From their small and diverse local beginnings (section 6.1), financial institutions had grown into corporate complexity, of necessity looking outwards for larger opportunities and the means of sustaining their developing commitments. Decision-making became institutionalized within formal structures with set procedures. Managerial priorities changed; risk and profitability became selectively measured. The institution was becoming divorced from its roots in the community, giving rise for a while to new opportunities for service by new institutions. In a now corporatizing economy, joint-stock organization with limited liability, together with expansion through branching or amalgamation, characterized the final phase of independent Cornish banking.

In Tönnies' terms, there had been a long-term ongoing transition from *Gemeinschaft* to *Gesellschaft,* which was practically complete by 1922. After

that date, the development pattern for what became known as the clearing banks was one of consolidation, rationalization, the oligarchic control of competition, and above all stability and transactional security, with a tendency towards stagnation by mid-century (Ackrill and Hannah 2001, 59-155; Sayers, R.S., 1964, 16-43). Thereafter, globalization and new exposure to larger risk brought expansion and eventual retraction (section 1.1 above; and Leyshon and Thrift 1995; Ackrill and Hannah 2001, 268-326). Interstitial gaps began to appear in the comprehensive corporate structure of the financial landscape; areas of social exclusion in which alternative institutions, such as credit unions, began to operate after 1964 in Britain (Jones, P.A., 2005, 13; Dirring 2007b, 16). In a way, this is reflective of the new local banks which appeared in Cornwall from the early 1860s to address unsatisfied needs (section 8.2).

Credit unions, as described in the first instance by Berthoud and Hinton (1989), bear a strong behavioural resemblance to early banking enterprise: in the small, localized scale and scope of their operations; in the personal relationships with their members; in their evolving *modus operandi* in which volunteers, who are not financial professionals, have to learn the job by experience. The evolutionary model is similar; financial objectives become stronger than social ideals, and mergers enlarge the capital base (Ward and McKillop 2005). Credit unions thus share many characteristics with nineteenth-century Cornish banks, and can be evaluated in similar terms (Dirring 2007b, 2, 45-47). In turn, further innovation may bring forth new forms of community banking. While it is unlikely that any such prospective institution which might be set up in the twenty-first century would closely resemble any of the old Cornish banks, the risks and pitfalls, and the vulnerability of the institution (albeit with the client protected by the regulatory authority), would remain the same; and sustainable liquidity of assets the paramount issue.

Study of the organization and practice of banking in Cornwall in former times thus has a direct relevance to the emerging financial institutions of the twenty-first century. It is hoped that the work undertaken here will be useful in this respect. As a contribution to the historiography of Cornwall, the extended

historical narrative has enlarged the available information on Cornish banks and bankers, and has clarified many of the ambiguities. It is also hoped that it is an effective contribution to the wider academic project of Cornish Studies; and, beyond that, to the more general study of regional banking development in England and Wales.

References and Bibliography

Archival sources

Bank of England Archive, London

C145/9	Plymouth Branch Letter Book, 1877-1882

Barclays Group Archives, Wythenshawe, Manchester

London & South Western Bank Minute Books, 1862-1874

City of Westminster Archives Centre, London

TIL	Correspondence with Thomas Tilbury (1812-1860)

Cornwall Record Office, Truro; principal collections consulted

A	Archer family of Trelaske, Lewannick
BLAUS	Borough of Launceston
BLOS	Borough of Lostwithiel
BPENR	Borough of Penryn
BU	Buller of Morval
CF	Coode and French
CY	Coryton of Pentillie, Pillaton
FR	Foster of Lanlivery
GR	Grylls of Helston
H	Harvey and Company, Hayle
J	Hawkins and Johnstone Estates
P	Parochial papers
PP	Peter, Peter and Sons, solicitors
QS	Quarter Sessions
RD	Rodd of Trebartha
RH	Ratcliffe & Henderson, solicitors, Helston
SHM	Sitwell, Harvey & Money, solicitors, Truro
T	Tremayne of Heligan, St. Ewe
TLP	Thrall, Llewellyn & Pearce, solicitors, Truro
W	Willyams of Carnanton
WH	Whitford of St. Columb

X 62	Lemon estate records
X 112	Cornwall deeds and leases
X 333	Penzance deeds
X 473	Hambly Rowe deeds and papers
X 511	Treligga, St. Teath
X 542	Holman
X 556	Liskeard, St. Keyne, Lezant and Menheniot
X 634	Carter family of Rinsey, Breage
X 750	Cornwall Congregational Church records
X 888	Broad, Porthleven
X1009	Bolitho family papers

Falkirk Archives, Falkirk Community Trust

A727	Forbes of Callendar papers

Hertfordshire Archives and Local Studies Centre

Forster, Lubbock, Bosanquet & Co.

Lloyds Banking Group Archives (formerly Lloyds TSB), London

Devon & Cornwall Banking Company, Board Minute Book, 1831-1841

London Metropolitan Archives

Sun Fire Office records

Plymouth and West Devon Record Office, Plymouth

314	G. Hamilton Edwards
710/391-398	Diaries of Henry Woollcombe of Hemerdon, 1797-1828

Royal Institution of Cornwall, Courtney Library, Truro

HH	Hawkins documents

Swansea Record Office

NAS NACC	Neath Abbey Coal Company

The National Archives, Kew

PROB 11 Prerogative Court of Canterbury and related Probate Jurisdictions

British Parliamentary Papers

PP 1799 *Copper Report*

Report from the Committee appointed to enquire into the state of the Copper Mines and Copper Trade of this Kingdom (7 May 1799)

PP 1836 *Joint Stock Banks*

Report from the Secret Committee on Joint Stock Banks (20 August 1836)

PP 1837 *Joint Stock Banks*

Report from the Secret Committee on Joint Stock Banks (15 July 1837)

PP 1840 *Banks of Issue*

Report from Select Committee on Banks of Issue (7 August 1840)

PP 1846 *Railway Subscribers*

`Return to an order of the … House of Commons, dated 2 April 1846 – for an alphabetical list "of the names, description and places of abode of all persons subscribing to the amount of 2,000 and upwards to any railway subscription contract deposited in the Private Bill Office during the present session of Parliament …"'

Newspapers

London Gazette, London (http://www.thegazette.co.uk/london/issue/)

Royal Cornwall Gazette, Truro (microfilm at Cornwall Studies Centre, Redruth)

Sherborne Mercury, Sherborne (microfilm at West Country Studies Library, Exeter)

West Briton, Truro (microfilm at Cornwall Studies Centre, Redruth)

Banking periodicals

Bankers' Magazine, London: volume 2 (1844-1845)

Circular to Bankers, London: weekly numbers 1-52 (1828-1829)

Journal of the Institute of Bankers, London: volumes 1 (1879-1880), 12 (1890-1891)

Published texts and unpublished academic sources

Acheson, G.G., and Turner, J.D (2006)
`The impact of limited liability on ownership and control: Irish banking, 1877-1914', *Economic History Review,* 59, 320-346

Acheson, G.G., and Turner, J.D (2008)
`The death blow to unlimited liability in Victorian Britain: the City of Glasgow failure', *Explorations in Economic History,* 45, 238-253

Ackrill, M., and Hannah, L (2001)
Barclays: the Business of Banking, 1690-1996 (Cambridge: Cambridge University Press)

Allen, G.C (1959)
Mathematical Economics (second edition, London: Macmillan)

Anderson, B.L (1969)
`The attorney and the early capital market in Lancashire', in J.R. Harris (ed), *Liverpool and Merseyside: Essays in the Economic and Social History of the Port and its Hinterland* (London: Cass), 50-77

Anderson, B.L., and Cottrell, P.L (1975)
`Another Victorian capital market: a study of banking and bank investors on Merseyside', *Economic History Review,* 28, 598-615

Andréadès, A.M (1909)
History of the Bank of England (trans. C. Meredith; London: P.S. King)

Arestis, P., and Howells, P (2001)
`The 1520-1640 "Great Inflation": an early case of controversy on the nature of money', *Journal of Post Keynesian Economics,* 24, 181-203

Armstrong, N.L (1937)
`The development of banking in the south western counties in the nineteenth century, with particular reference to Devon and Cornwall in the period 1840-1890', unpublished PhD thesis, University of London (External)

Ashton, T.S (1945)
`The bill of exchange and private banks in Lancashire, 1790-1830', *Economic History Review* (old series), 15, 25-35

Bagehot, W (1999) [1873]
Lombard Street: a Description of the Money Market (Chichester: Wiley)

Baker, M., and Collins, M (1999)
`Financial crises and structural change in English commercial bank assets, 1860-1913', *Explorations in Economic History,* 36, 428-444

Barker, H., and Ishizu, M (2012)
`Inheritance and continuity in small family businesses during the early Industrial Revolution', *Business History* 54, 227-244

Barton, D.B (1968)
Essays in Cornish Mining History: Volume One (Truro: Bradford Barton)

Barton, D.B (1970)
Essays in Cornish Mining History: Volume Two (Truro: Bradford Barton)

Bellman, H (1933)
`Building societies: some economic aspects', *Economic Journal,* 43, 1-39

Bennett, E.A (1910-1916)
Clayhanger; Hilda Lessways; These Twain (1975 edition; Harmondsworth: Penguin)

Berg, M., and Hudson, P (1992)
`Rehabilitating the Industrial Revolution', *Economic History Review,* 45, 24-50

Berthoud, R., and Hinton, T (1989)
Credit Unions in the United Kingdom (London: Policy Studies Institute)

Black, I.S (1989)
`Geography, political economy, and the circulation of finance capital in early industrial England', *Journal of Historical Geography,* 15, 366-384

Black, I.S (1995)
`Money, information and space: banking in early nineteenth-century England and Wales', *Journal of Historical Geography,* 21, 398-412

Black, I.S (1996)
`The London agency system in English banking, 1780-1825', *London Journal,* 21, 112-130

Black, I.S (2003)
`Private banking in London's West End, 1750-1830', *London Journal,* 28, 29-59

Boalch, G.T (1990)
Obituary of Cecil Edwin Hicks, *Transactions of the Devonshire Association,* 122, 283

Boase, G.C (1890)
Collectanea Cornubiensia: a collection of biographical and topographical notes relating to the county of Cornwall (Truro: Netherton and Worth; limited edition published privately for the author)

Booker, F (1967)
Industrial Archaeology of the Tamar Valley (Newton Abbot: David and Charles)

Brooke, John (1964a)
`Buller, John (1745-93) of Morval, Cornwall', in L. Namier and J. Brooke (eds.), *History of Parliament: the House of Commons, 1754-1790* (Woodbridge: Boydell and Brewer); online version, accessed 29 August 2012:
http://www.historyofparliamentonline.org/volume/1754-1790/member/buller-john

Brooke, John (1964b)
`Rogers, John (1750-1832) of Penrose, near Helston, Cornwall', in L. Namier and J. Brooke (eds.), *History of Parliament: the House of Commons, 1754-1790* (Woodbridge: Boydell and Brewer); online version, accessed 1 June 2012: http://www.historyofparliamentonline.org/volume/1754-1790/member/rogers-john

Brooke, Justin (1988)
`A key to *Tin'*: commentary appended to `Edward Bosanketh'**,** *Tin: a Novel* (second edition, Marazion: Brooke; originally London: T. Fisher Unwin, 1888)

Brunt, L (2006)
`Rediscovering risk: country banks as venture capital firms in the First Industrial Revolution', *Journal of Economic History,* 66, 74-102

Bryer, R.A (2005)
`A Marxist accounting history of the British Industrial Revolution: a review of evidence and suggestions for research', *Accounting, Organization and Society,* 30, 25-65

Buckley, A (2005)
The Story of Mining in Cornwall: a World of Payable Ground (Fowey: Cornwall Editions)

Burke, G., and Richardson, P (1981)
`The decline and fall of the cost book system in the Cornish tin mining industry, 1895-1914', *Business History,* 23, 4-18

Burke, G., and Richardson, P (1983)
`"The adaptability of the Cornish cost book system": a response', *Business History,* 25, 193-199

Burt, R (1998)
`Segmented capital markets and patterns of investment in late Victorian Britain: evidence from the non-ferrous mining industry', *Economic History Review,* 51, 709-733

Burt, R (2003)
`Freemasonry and business networking during the Victorian period', *Economic History Review,* 56, 657-688

Burt, R., and Kudo, N (1983)
`The adaptability of the Cornish cost book system', *Business History,* 25, 30-41

Burt, R., Waite, P., and Burnley, R (1987)
Cornish Mines: Metalliferous and Associated Minerals, 1845-1913 (Exeter: University of Exeter/Northern Mine Research Society)

Cairncross, A.K. (1963)
`Capital formation in the take-off', in W. W. Rostow (ed.), *The Economics of Take-off into Sustained Growth* (London: Macmillan), 240-259

Cameron, R.E (ed.) (1967)
Banking in the Early Stages of Industrialization: a Study in Comparative Economic History (New York)

Capie, F., and Collins, M (1996)
`Industrial lending by English commercial banks, 1860s-1914: why did banks refuse loans?' *Business History,* 38, 26-44

Capie, F., and Rodrik-Bali, G (1982)
`Concentration in British banking, 1870-1920', *Business History,* 24, 280-292

Carper, W.B., and Snizek, W.E (1980)
`The nature and types of organizational taxonomies: an overview', *Academy of Management Review,* 5, 65-75

Carruthers, B.G (1994)
`Homo Economicus and Homo Politicus: non-economic rationality in the early eighteenth century stock market', *Acta Sociologica,* 37, 165-194

Cassis, Y (1985)
`Management and strategy in the English joint-stock banks, 1890-1914', *Business History,* 27, 301-315

Cassis, Y (1994)
City Bankers, 1890-1914 (Cambridge: Cambridge University Press; English translation by M. Rocques)

Casson, M (1999)
`The economics of the family firm', *Scandinavian Economic History Review,* 47, 10-23

Chapman, S.D (1979)
`Financial restraints on the growth of firms in the cotton industry, 1790-1850', *Economic History Review,* 32, 50-69

Chapman, S.D. (1995)
`Ethnicity and money making in nineteenth-century Britain', *Renaissance and Modern Studies,* 38, 20-37; reprinted in D.J. Jeremy (ed.), *Religion, Business and Wealth in Modern Britain* (London: Routledge, 1998), 153-169

Checkland, S.G (1954)
`The Lancashire bill system and its Liverpool protagonists, 1810-1827', *Economica,* 21, 129-142

Checkland, S.G (1964)
The Rise of Industrial Society in England, 1815-1885 (London: Longmans)

Checkland, S.G (1975)
Scottish Banking: a History, 1695-1973 (Glasgow: Collins)

Church, R.A (1971)
`The British leather industry and foreign competition, 1870-1914', *Economic History Review,* 24, 543-570

Clapham, J.H (1930)
An Economic History of Modern Britain, I: the Early Railway Age, 1820-1850 (second edition; Cambridge: Cambridge University Press)

Clapham, J.H (1932)
An Economic History of Modern Britain, II: Free Trade and Steel, 1850-1886 (Cambridge: Cambridge University Press)

Clapham, J.H (1938)
An Economic History of Modern Britain, III: Machines and National Rivalries, 1887-1914 (Cambridge: Cambridge University Press)

Clapham, J.H (1944)
The Bank of England: a History (2 volumes, Cambridge: Cambridge University Press)

Coase, R.H (1937)
`The nature of the firm', *Economica,* 4, 386-405

Collins, M (1972)
`The Bank of England in Liverpool, 1827-1844', *Business History,* 14, 144-169

Collins, M (1984)
`The business of banking: English bank balance sheets, 1840-1880', *Business History,* 26, 43-58

Collins, M (1989)
`The banking crisis of 1878', *Economic History Review,* 42, 504-527

Collins, M (1990)
`English bank lending and the financial crisis of the 1870s', *Business History,* 32, 198-224

Collins, M., and Baker, M (2001)
`Sectoral differences in English bank asset structures and the impact of mergers, 1860-1913', *Business History,* 43, 1-28

Collins, M., and Hudson, P (1979)
`Provincial bank lending: Yorkshire and Merseyside, 1826-1860', *[Yorkshire] Bulletin of Economic Research,* 31, 69-79

Corley, T.A.B (1998)
`Changing Quaker attitudes to wealth, 1690-1750', in D.J. Jeremy (ed.), *Religion, Business and Wealth in Modern Britain* (London: Routledge, 1998), 137-150

Cottrell, P.L (2004)
`Domestic finance, 1860-1914', in R. Floud and P. Johnson (eds.), *The Cambridge Economic History of Modern Britain: II, Economic Maturity, 1860-1939* (Cambridge: Cambridge University Press), 253-279

Court, W.H.B (1954)
A Concise Economic History of Britain from 1750 to Recent Times (Cambridge: Cambridge University Press)

Courtney, W.P., rev. Banerji, N (2004)
`Boase, George Clement (1829-1897)', *Oxford Dictionary of National Biography* (Oxford: Oxford University Press); online edition, 2004, accessed 12 July 2014: http://www.oxforddnb.com/view/article/2736

Crick, W.F., and Wadsworth, J.E (1936)
A Hundred Years of Joint Stock Banking (London: Hodder & Stoughton)

Crook, D (2004a)
`Carne, Joseph (1782-1858)', *Oxford Dictionary of National Biography* (Oxford: Oxford University Press); online edition, 2004, accessed 7 May 2012: http://www.oxforddnb.com/view/article/4715

Crook, D (2004b)
`Carne, Elizabeth Catherine Thomas (1817-1873)', *Oxford Dictionary of National Biography* (Oxford: Oxford University Press); online edition, 2004, accessed 7 May 2012: http://www.oxforddnb.com/view/article/4713

Cyert, R.M., and March, J.G (1992)
A Behavioral Theory of the Firm (second edition, Oxford: Blackwell)

Dale, G. (2011)
`Lineages of embeddedness: on the antecedents and successors of a Polanyian concept', *American Journal of Economics and Sociology,* 70, 306-339

Daugherty, M.R (1942)
`The currency-banking controversy, part I', *Southern Economic Journal,* 9/2, 140-155

Daugherty, M.R (1943)
`The currency-banking controversy, part II', *Southern Economic Journal,* 9/3, 241-251

Davidoff, L., and Hall, C (1987)
Family Fortunes: Men and Women of the English Middle Class, 1780-1850 (London: Routledge)

Davies, C.J (1998)
`Cornwall and privateers in the War of American Independence', *Journal of the Royal Institution of Cornwall* for 1998 (unnumbered), 48-66

Dawes, M., and Selwyn, N (2010)
Women who Made Money: Women Partners in British Private Banks, 1752-1906 (USA: Trafford, http://www.trafford.com: print copy consulted, ISBN 978-1-4269-3725-5)

Deacon, B.W (2001)
`The reformation of territorial identity: Cornwall in the late eighteenth and early nineteenth centuries', unpublished PhD thesis, Open University

Deacon, B.W (2007)
A Concise History of Cornwall (Cardiff: University of Wales Press)

Dirring, J.W (2007a)
`Economic theory and Cornwall', in P.J. Payton (ed.), *Cornish Studies: Fifteen* (Exeter: University of Exeter Press), 248-263

Dirring, J.W (2007b)
`The evolution of money, credit and financial institutions in Cornwall: developing a historically-grounded theory', unpublished M.A. dissertation, University of Exeter

Dirring, J.W (2012a)
`A Geertzian approach to the practice of banking in nineteenth-century Cornwall', unpublished paper presented to the Postgraduate Researchers' Conference in the University of Exeter, 1 May 2012

Dirring, J.W (2012b)
`Clifford Geertz and early Cornish banking', unpublished paper presented to the Institute of Cornish Studies Conference at Penryn, 14 September 2012

Dirring, J.W (2013a)
`A documentary approach to the study of Cornish banking history', unpublished paper presented to an *Ex Historia* symposium in the University of Exeter, 7 February 2013

Dirring, J.W (2013b)
`Commercial sustainability in uncertain times: financial strategy in Cornwall, 1771-1905', unpublished paper presented to the Postgraduate Researchers' Conference in the University of Exeter, 30 April 2013

Drummond, M.M (1964)
`Lemon, William (1748-1824) of Carclew, near Penryn, Cornwall', in L. Namier and J. Brooke (eds.), *History of Parliament: the House of Commons, 1754-1790* (Woodbridge: Boydell and Brewer); online version accessed 7 June 2012: http://www.historyofparliamentonline.org/volume/1754-1790/member/lemon-william

Dun, J (1876)
`The banking institutions, bullion reserves and non-legal-tender note circulation of the United Kingdom statistically investigated', *Journal of the Statistical Society of London,* 39, 1-197

Elvins, B (1998)
`Cornwall's unsung political hero: Sir John Coleman Rashleigh (1772-1847)', in P.J. Payton (ed.), *Cornish Studies: Six* (Exeter: University of Exeter Press), 81-95

Elvins, B (1999)
`The Lemon family interest in Cornish politics', in P.J. Payton (ed.), *Cornish Studies: Seven* (Exeter: University of Exeter Press), 49-73

Elvins, B (2001)
`Cornwall's newspaper war: the political rivalry between the *Royal Cornwall Gazette* and the *West Briton*, 1810-1831', in P.J. Payton (ed.), *Cornish Studies: Nine* (Exeter: University of Exeter Press), 145-172

Elvins, B (2003)
`Cornwall's newspaper war: the political rivalry between the *Royal Cornwall Gazette* and the *West Briton*, II: 1832-1855', in P.J. Payton (ed.), *Cornish Studies: Eleven* (Exeter: University of Exeter Press), 57-84

Ensor, R.C.K (1936)
England, 1870-1914 (Oxford: Clarendon)

Fahey, C (2007)
`From St Just to St Just Point: Cornish migration to nineteenth-century Victoria', in P.J. Payton (ed.), *Cornish Studies: Fifteen* (Exeter: University of Exeter Press), 117-140

Fairclough, K.R (2008)
`Praed, William Mackworth (1747–1803)', *Oxford Dictionary of National Biography* (Oxford: Oxford University Press); online edition, 2008, accessed 6 March 2009: http://www.oxforddnb.com/view/article/47564

Faulkner, A.H. (1972)
The Grand Junction Canal (Newton Abbot: David & Charles)

Finn, M (2003)
The Character of Credit: Personal Debt in English Culture, 1740-1914 (Cambridge: Cambridge University Press)

Fitzmaurice, R.M (1991)
`A chapter in Cornish banking history: the crisis of 1879 and the failure of Tweedy, Williams & Co., the Cornish Bank', *Journal of the Royal Institution of Cornwall*, new series II, 1/1, 12-46

Fontana, G (2007)
`Why money matters: Wicksell, Keynes and the new consensus view of monetary policy', *Journal of Post Keynesian Economics,* 30, 43-60

Ford, D., and Mouzas, S (2013)
`The theory and practice of business networking', *Industrial Marketing Management,* 42, 433-442

Fox, R.B (2008)
Barclay Fox's journal, 1832-1854, ed. R.L. Brett with introduction by C. Fox (Fowey: Cornwall Editions)

Foxwell, H.S (1917)
`The financing of industry and trade', *Economic Journal,* 27, 502-522

Foxwell, H.S (1927)
Review of Matthews and Tuke's *History of Barclays Bank, Economic Journal,* 37, 411-417

Frame, W.S., Karels, G.V., and McClatchey, C (2002)
`The effect of the common bond and membership expansion on credit union risk', *Financial Review,* 37, 613-636

Garud, R., Kumaraswamy, A., and Kamøe, P (2010)
`Path dependence or path creation?', *Journal of Management Studies,* 47, 760-774

Gay, S.E (1903)
Old Falmouth (London: Headley)

Geertz, C (1962)
`The rotating credit association: a “middle rung” in development’, *Economic Development and Cultural Change,* 10, 241-263

Geertz, C (1973)
The Interpretation of Cultures: Selected Essays (New York: Basic Books)

Gilbart, J.W (1860 [1849])
A Practical Treatise on Banking (American edition; Philadelphia: Baird)

Gill, C (1983)
`Some diaries and memoirs of Plymouth in the French Revolutionary and Napoleonic wars’, *Transactions of the Devonshire Association,* 115, 1-18

Gill, C (2011)
The Great Cornish Families (new edition; Wellington: Halsgrove)

Grandori, A., and Soda, G (1995)
`Inter-firm networks: antecedents, mechanisms and forms’, *Organization Studies,* 16/2, 183-214

Granovetter, M. (1985)
`Economic action and social structure: the problem of embeddedness’, *American Journal of Sociology,* 91, 481-510

Green, D.R (2009)
`To do the right thing: gender, wealth, inheritance and the London middle class’, in A. Laurence, J. Maltby & J. Rutterford (eds.), *Women and their Money, 1700-1950* (Abingdon: Routledge)

Green, D.R., and Owens, A (2003)
`Gentlewomanly capitalism? Spinsters, widows, and wealth holding in England and Wales, *c.* 1800-1860’, *Economic History Review,* 56, 510-596

Greenblatt, S (1997)
`The touch of the Real’, *Representations,* 59, 14-29

Gregory, D (1988)
`The production of regions in England's Industrial Revolution', *Journal of Historical Geography,* 14, 50-58

Gruber, M (2010)
`Exploring the origins of organizational paths: empirical evidence from newly-founded firms', *Journal of Management,* 36, 1143-1167

Gurley, J.G., and Shaw, E.S (1955)
`Financial aspects of economic development', *American Economic Review,* 45, 515-538

Gurley, J.G., and Shaw, E.S (1956)
`Financial intermediaries and the saving-investment process', *Journal of Finance,* 2, 257-276

Hamilton, B.G (1923)
`Captain J.M. Hamilton and descendants', in J. Carnochan (ed.), *Niagara Historical Society Papers,* 35 (no pagination; Niagara Historical Society, Ontario: http://www.niagarahistorical.museum/media/NHS35.pdf, accessed 13 November 2013)

Hamilton Jenkin, A.K (1962)
The Cornish Miner (third edition, Newton Abbot: David and Charles)

Hatcher, J (1970)
Rural Economy and Society in the Duchy of Cornwall, 1300-1500 (Cambridge: Cambridge University Press)

Hechter, M (1999)
Internal Colonialism (revised edition, New Brunswick: Transaction Publishers)

Heffer, S (2013)
High Minds: the Victorians and the Birth of Modern Britain (London: Random House)

Heffernan, S.A (2005)
Modern Banking (Chichester: Wiley)

Henry, J.H (1963)
The First Hundred Years of the Standard Bank (London: Oxford University Press)

Hicks, C.E (1949)
`The banking crisis of 1825 in south-west Devon', *Transactions of the Devonshire Association,* 81, 287-296

Hicks, C.E (1950-1951)
`Cornish banks and bank notes', *Devon and Cornwall Notes and Queries,* 24, 183-186

Hicks, C.E (1952)
`The Cornish banking crisis of 1879', *Bankers' Magazine*, 1305, 471-477

Hickson, C.R., and Turner, J.D (2003)
`The trading of unlimited-liability bank shares in nineteenth-century Ireland: the Bagehot hypothesis', *Journal of Economic History,* 63, 931-958

Hickson, C.R., and Turner, J.D (2004)
`Free banking and the stability of early joint-stock banking', *Cambridge Journal of Economics,* 28, 903-919

Hickson, C.R., and Turner, J.D (2005)
`The genesis of corporate governance: nineteenth-century Irish joint-stock banks', *Business History*, 47, 174-189

Hillier, F.S., and Lieberman, G.J (1967)
Introduction to Operations Research (San Francisco: Holden-Day)

Hilton Price, F.G (1891)
A Handbook of London Bankers (London: Leadenhall)

Hoppit, J (1986)
`Financial crises in eighteenth-century England', *Economic History Review,* 39, 39-58

Hoppit, J (1987)
Risk and Failure in English Business, 1700-1800 (Cambridge: Cambridge University Press)

Huang, Y., and Wilkinson, I.F (2013)
`The dynamics and evolution of trust in business relationships', *Industrial Marketing Management*, 42, 455-465

Hudson, P (1981)
`The role of banks in the finance of the West Yorkshire wool textile industry, *c.* 1780-1850', *Business History Review,* 55/3, 379-402

Hudson, P (1986)
The Genesis of Industrial Capital: a study of the West Riding wool textile industry, circa *1750-1850* (Cambridge: Cambridge University Press)

Hughes, S (2008)
Copperopolis: Landscapes of the Early Industrial Period in Swansea (Cardiff: Royal Commission on the Ancient and Historical Monuments of Wales)

Inglis, D (2009)
`Cosmopolitan sociology and the classical canon: Ferdinand Tönnies and the emergence of global *Gesellschaft', British Journal of Sociology,* 60/4, 813-832

Ivall, D.E (1992)
`The High Sheriffs of Cornwall: a provisional list', *Journal of the Royal Institution of Cornwall* for 1992 (unnumbered), 171-188

Jaggard, E (1999)
Cornwall Politics in the Age of Reform, 1790-1885 (Woodbridge: Royal Historical Society / Boydell)

Jennings, P (1907)
`The mayoralty of Truro', *Journal of the Royal Institution of Cornwall,* 17/1, 138-141

Jeremy, D.J (ed.) (1988)
Business and Religion in Britain (Aldershot: Gower)

Jeremy, D.J (ed.) (1998)
Religion, Business and Wealth in Modern Britain (London: Routledge)

John, A.H (1950)
The Industrial Development of South Wales, 1750-1850 (Cardiff: University of Wales Press)

Johns, J.R (2008)
The Smugglers' Banker: the Story of Zephaniah Job of Polperro (second edition, Clifton-upon-Teme: Polperro Heritage Press)

Johnson, P (1985)
Saving and Spending: the Working Class Economy in Britain, 1870-1939 (Oxford: Oxford University Press)

Jones, A.G.E (1951)
`Early banking in Ipswich', *Notes and Queries,* 196, 402-405

Jones, P.A. (2005)
`Philanthropy and enterprise in the British credit union movement', *Economic Affairs,* 25, 13-19

Jones, S (1978)
`The cotton industry and joint-stock banking in Manchester, 1825-1850', *Business History,* 20 (1978), 165-185

Jones, T (2004)
`Uncovering "cultural meaning": problems and solutions', *Behavior and Philosophy,* 32, 247-268

Joslin, D.M (1954)
`The London private bankers, 1720-1785', *Economic History Review,* 7, 167-186

Keast, J (1982)
`*The King of Mid-Cornwall': the life of Joseph Thomas Treffry (1782-1850)* (Redruth: Dyllansow Truran)

Kindleberger, C.P., and Aliber, R.Z (2011)
Manias, Panics, and Crashes: a History of Financial Crises (sixth edition; Basingstoke: Palgrave Macmillan)

Kirch, D (2012)
The David Kirch Collection of English Provincial Banknotes, part I: South and South West (sale catalogue, 9 October 2012, London: Spink http://www.spink.com/files/catalogue/12035.pdf, accessed 19 December 2014)

Kitson Clark, G (1965)
The Making of Victorian England (London: Methuen)

Knight, R.J.B (2014)
Britain against Napoleon: the Organization of Victory, 1793-1815 (London: Penguin)

Koumakhov, R (2009)
`Conventions in Herbert Simon's theory of bounded rationality', *Journal of Economic Psychology,* 30, 293-306

Lamoreaux, N.R. (1994)
Insider Lending: Banks, Personal Connections, and Economic Development in Industrial New England (Cambridge: Cambridge University Press)

Langton, J (1984)
`The Industrial Revolution and the regional geography of England', *Transactions of the Institute of British Geographers,* 9, 145-167

Laurence, A (2009)
`Women, banks and the securities market in early eighteenth-century England', in A. Laurence, J. Maltby and J. Rutterford (eds.), *Women and their Money, 1700-1950* (Abingdon: Routledge)

Laurence, A., Maltby, J. and Rutterford, J (eds.) (2009)
Women and their Money, 1700-1950 (Abingdon: Routledge)

Lee, C.H (1981)
`Regional growth and structural change in Victorian Britain', *Economic History Review,* 34, 438-452

Lee, C.H. (1990)
`Corporate behaviour in theory and history, I: the evolution of theory', *Business History,* 32, 17-31

Lee, M (2011)
Gullrock, Port Gaverne: the History of a Pilchard Palace, 1803 to 2011 (Port Gaverne: Malcolm Lee; online version at www.gullrock-port-gaverne.co.uk, accessed 25 October 2014)

Lee, R (2012)
`Divided loyalties? In-migration, ethnicity and identity: the integration of German merchants in nineteenth-century Liverpool', *Business History,* 54, 117-153

Lewin, H.G (1936)
The Railway Mania and its Aftermath, 1845-1852 (London: Railway Gazette; reprinted David & Charles, Newton Abbot, 1968)

Lewis, J (2002)
`What happened to the Glynns of Cardinham?', *Journal of the Royal Institution of Cornwall* for 2002 (unnumbered), 50-63

Lewis, J. (2006)
`Cornish copper mining 1795-1830: economy, structure and change', in P.J. Payton (ed.), *Cornish Studies: Fourteen* (Exeter: University of Exeter Press), 164-186

Leyshon, A., and Thrift, N (1995)
`Geographies of financial exclusion – financial abandonment in Britain and the United States', *Transactions of the Institute of British Geographers,* 20, 312-341

London & South Western Bank (1913)
A Short History of the London and South Western Bank Limited: Issued in Commemoration of the Celebration of the Jubilee Year, 1862-1912 (London: Blades, East & Blades): copy held in Barclays Group Archive (0324.0001)

Maclean, J (1872-1879)
A Parochial and Family History of the Deanery of Trigg Minor, in the County of Cornwall (3 volumes, Bodmin: Liddell)

MacKenzie, C (2007)
`The mine merchants of Hayle: commerce and family in an early industrial port', *Journal of the Royal Institution of Cornwall* for 2007 (unnumbered), 48-69

Magee, G.B., and Thompson, A.S (2005)
`Remittances revisited: a case study of South Africa and the Cornish migrant, *circa* 1870-1914', in P.J. Payton (ed.), *Cornish Studies: Thirteen* (Exeter: University of Exeter Press), 288-306

Magee, G.B., and Thompson, A.S (2006)
`The global and local: explaining migrant remittance flows in the English-speaking world, 1880-1914', *Journal of Economic History,* 66, 177-202

Magens, M.D (1804)
An Inquiry into the Real Difference between actual Money, consisting of Gold and Silver, and Paper Money of various Descriptions: Also, an Examination into the Constitutions of Banks; and the Impossibility of their combining the Two Characters of Bank and Exchequer (London: Asperne)

Marriner, S (1980)
`English bankruptcy records and statistics before 1850', *Economic History Review,* 33/3, 351-366

Marris, R. (1964)
The Economic Theory of `Managerial' Capitalism (London: Macmillan)

Matthews, P.W., and. Tuke, A.W (1926)
History of Barclays Bank Limited (London: Blade, East and Blade)

Mathias, P (1959)
The Brewing Industry in England, 1700-1830 (Cambridge: Cambridge University Press)

Mathias, P (1962)
English Trade Tokens: the Industrial Revolution Illustrated (London: Abelard-Schuman)

Mathias, P (1969)
The First Industrial Nation: an Economic History of Britain, 1700-1914 (London: Methuen)

Mathias, P (1984)
`The lawyer as businessman in eighteenth-century England', in D.C. Coleman and P. Mathias (eds.), *Enterprise and History* (Cambridge: Cambridge University Press), 151-167

McCahill, M.W (1976)
`Peers, patronage and the Industrial Revolution, 1760-1800', *Journal of British Studies,* 16, 84-107

McConnell, A (2008)
`Forster, Edward, the elder (1730–1812)', *Oxford Dictionary of National Biography* (Oxford: Oxford University Press); online edition, 2008, accessed 30 November 2013: http://www.oxforddnb.com/view/article/9904

Melton, F.T (1986)
`Deposit banking in London, 1700-90', *Business History,* 28, 40-50

Messenger, M (2015)
Caradon and Looe: the Canal, Railways and Mines (third edition, Chacewater: Twelveheads)

Middleton, R (2004)
`Government and the economy, 1860-1939', in R. Floud and P. Johnson (eds.), *The Cambridge Economic History of Modern Britain: II, Economic Maturity, 1860-1939* (Cambridge: Cambridge University Press), 456-489

Miles, M (1981)
`The money market in the early Industrial Revolution: evidence from West Riding attorneys, *c.*1750-1800', *Business History,* 23, 127-146

Mokyr, J., and Nye, J.V.C (2007)
`Distributional coalitions, the Industrial Revolution, and the origins of economic growth in Britain', *Southern Economic Journal,* 74/1, 50-70

Morrison, T.A (1980)
Cornwall's Central Mines: the Northern District, 1810-1895 (Penzance: Alison Hodge)

Morrison, T.A (1983)
Cornwall's Central Mines: the Southern District, 1810-1895 (Penzance: Alison Hodge)

Morton, A (2010)
`Human bounds: rationality for our species', *Synthese,* 176, 5-21

Moss, D.J (1982)
`The private banks of Birmingham, 1800-1827', *Business History,* 24, 79-94

Moss, D.J (1992)
`"Circular to Bankers": the role of a prototypical trade journal in the evolution of middle-class professional consciousness', *Victorian Periodicals Review,* 25/3, 129-136

Muldrew, C. (2001)
`"Hard food for Midas": cash and its social value in early modern England', *Past & Present,* 170, 78-120

Munn, C.W (1981)
The Scottish Provincial Banking Companies, 1747-1864 (Edinburgh: Donald)

Nachane, D.M., and Haketar, H.R (1996)
`Ricardo *versus* Tooke: an old controversy revisited', *Economic and Political Weekly,* 31, PE65-PE73

Namier, L (1964a)
`Mackworth Praed, Humphrey (? 1718-1803) of Trevethoe, near St. Ives, Cornwall', in L. Namier and J. Brooke (eds.), *History of Parliament: the House of Commons, 1754-1790* (Woodbridge: Boydell and Brewer); online version accessed 31 May 2012: http://www.historyofparliamentonline.org/volume/1754-1790/member/mackworth-praed

Namier, L (1964b)
`Molesworth, John (1729-75) of Pencarrow, Cornwall', in L. Namier and J. Brooke (eds.), *History of Parliament: the House of Commons, 1754-1790* (Woodbridge: Boydell and Brewer); online version accessed 29 August 2012: http://www.historyofparliamentonline.org/volume/1754-1790/member/molesworth-john

Napolitano, M.R., Marino, V., and Ojala, J (2015)
`In search of an integrated framework of business longevity', *Business History* 57, 955-969

Naylor, T.H., and Vernon, J.M (1969)
Microeconomics and Decision Models of the Firm (New York: Harcourt, Brace and World)

Nenadic, S (1998)
`The social shaping of business behaviour in the nineteenth century women's garment trades', *Journal of Social History,* 31, 625-645

Newell, E (2009a)
'Williams, John (1753–1841)', *Oxford Dictionary of National Biography* (Oxford: Oxford University Press); online edition, 2009, accessed 7 May 2012: http://www.oxforddnb.com/view/article/29522

Newell, E (2009b)
'Vivian, John (1750–1826)', *Oxford Dictionary of National Biography* (Oxford: Oxford University Press); online edition, 2009, accessed 7 May 2012: http://www.oxforddnb.com/view/article/48392

Newell, E (2009c)
'Vivian, John Henry (1785–1855)', *Oxford Dictionary of National Biography* (Oxford: Oxford University Press); online edition, 2009, accessed 7 May 2012: http://www.oxforddnb.com/view/article/47482

Newton, L (1996)
`Regional bank-industry relations during the mid-nineteenth century: links between bankers and manufacturing in Sheffield, *circa* 1850 to *circa* 1885', *Business History,* 38, 64-83

Newton, L., and Cottrell, P.L (1998)
`Joint-stock banking in the English provinces, 1826-1857: To branch or not to branch?', *Business and Economic History,* 27, 115-128

Newton, R (1984)
Eighteenth Century Exeter (Exeter: University of Exeter Press)

Noall, C (1972)
Cornish Seines and Seiners (Truro: Bradford Barton)

Nordquist, G.L (1965)
`The breakup of the maximization principle', *Quarterly Review of Economics and Business,* 5, 33-46

O'Brien, P.K (1998)
`Max Weber, religion and the work ethic', in D.J. Jeremy (ed.), *Religion, Business and Wealth in Modern Britain* (London: Routledge), 108-112

O'Callaghan, E (2005)
`Views and visions: layered landscapes in West Indian migrant narratives', *Third World Quarterly,* 26, 487-495

Ollerenshaw, P (1985)
`Industry, 1820-1914', in L. Kennedy and P. Ollerenshaw (eds.), *An Economic History of Ulster, 1820-1940* (Manchester: Manchester University Press), 62-108

Ollerenshaw, P (1987)
Banking in Nineteenth-Century Ireland: the Belfast Banks, 1825-1914 (Manchester: Manchester University Press)

Ollerenshaw, P (1988)
`The development of banking in the Bristol region, 1750-1914', in C.E. Harvey and J. Press (eds.), *Studies in the Business History of Bristol* (Bristol: Bristol Academic Press)

Outing, R (2010)
The Standard Catalogue of the Provincial Banknotes of England and Wales (Honiton: Token Publishing)

Palmer, J (2008)
`Francis Arundell: a Cornish merchant in Italy, 1690-1711', *Journal of the Royal Institution of Cornwall* for 2008 (unnumbered), 43-60

Pawlyn, A (1998)
`The Cornish pilchard fishery in the eighteenth century', *Journal of the Royal Institution of Cornwall* for 1998 (unnumbered), 67-90

Payton, P.J (1992)
The Making of Modern Cornwall: Historical experience and the persistence of `difference' (Redruth: Truran)

Payton, P.J (1996)
`"Reforming Thirties" and "Hungry Forties": the genesis of Cornwall's emigration trade', in P.J. Payton (ed.), *Cornish Studies: Four* (Exeter: University of Exeter Press), 107-127

Payton, P.J (1999)
The Cornish Overseas (Fowey: Alexander Associates)

Payton, P.J (2004)
Cornwall: a History (second edition, Fowey: Cornwall Editions)

Pearson, R (2002)
`Shareholder democracies? English stock companies and the politics of corporate governance during the Industrial Revolution', *English Historical Review,* 117, 840-866

Pearson, R., and Richardson, D (2001)
`Business networking in the Industrial Revolution', *Economic History Review,* 54, 657-679

Pearson, R., and Richardson, D (2003)
`Business networking in the Industrial Revolution: riposte to some comments', *Economic History Review,* 56, 362-368

Perry, R. (1993)
`Cornwall *circa* 1950', in P.J. Payton (ed.), *Cornwall since the War: the contemporary history of a European region* (Redruth: Institute of Cornish Studies / Dyllansow Truran), 22-46

Perry, R. (2002)
`The making of modern Cornwall, 1800-2000: a geo-economic perspective', in P.J. Payton (ed.), *Cornish Studies: Ten* (Exeter: University of Exeter Press), 166-189

Peyton Young, H (2001)
Individual Strategy and Social Structure: an Evolutionary Theory of Institutions (Princeton: Princeton University Press)

Phillips, M. (1894)
A History of Banks and Banking in Northumberland, Durham and North Yorkshire, illustrating the Commercial Development of the North of England from 1755 to 1894 (London: Effingham Wilson)

Podmore, C.J (1990)
`The Fetter Lane Society, 1739-1740', *Proceedings of the Wesley Historical Society,* 47, 156-186

Pollard, S (1963)
`Capital accounting in the Industrial Revolution', *Yorkshire Bulletin,* 15, 75-91

Pollard, S. (1968)
The Genesis of Modern Management (Harmondsworth: Penguin)

Pollard, S (1981)
Peaceful Conquest: the industrialization of Europe, 1760-1970 (Oxford: Oxford University Press)

Pouliot, V (2007)
`"Sobjectivism": towards a constructivist methodology', *International Studies Quarterly,* 51, 359-384

Pressnell, L.S (1953)
`Public monies and the development of English banking', *Economic History Review,* 5, 378-397

Pressnell, L.S (1956)
Country Banking in the Industrial Revolution (Oxford: Clarendon)

Prior, A., and Kirby, M (1998)
`The Society of Friends and business culture, 1700-1830', in D.J. Jeremy (ed.), *Religion, Business and Wealth in Modern Britain* (London: Routledge, 1998), 115-136

Pugh, D.S., Hickson, D.J., and Hinings, C.R (1971)
Writers on Organizations (second edition; Harmondsworth: Penguin)

Quinn, S (2004)
`Money, finance and capital markets', in R. Floud and P. Johnson (eds.), *The Cambridge Economic History of Modern Britain, I* (Cambridge: Cambridge University Press), 147-174

Radcliffe Committee (1959)
Report on the Working of the Monetary System (London: HMSO; Cmnd. 827)

Rae, G (1890)
The Country Banker: his Clients, Cares and Work from an Experience of Forty Years (London: Murray)

Robb, G (1992)
White-Collar Crime in Modern England: Financial Fraud and Business Morality, 1845-1929 (Cambridge: Cambridge University Press)

Realo, A., Allik, J., and Greenfield, B (2008)
`Radius of trust: social capital in relation to familism and institutional collectivism', *Journal of Cross-Cultural Psychology,* 39, 447-462

Rich, P (1992)
`The organizational taxonomy: definition and design', *Academy of Management Review,* 17, 758-781

Richards, R.D. (1929)
The Early History of Banking in England (London: P.S. King)

Roberts, R (2013)
Saving the City: the Great Financial Crisis of 1914 (Oxford: Oxford University Press)

Roberts, R.O (1980a)
`The smelting of non-ferrous metals since 1750', in A.H. John and G. Williams (eds.), *Glamorgan County History, V: Industrial Glamorgan* (Cardiff: Glamorgan County History Trust), 47-96

Roberts, R.O (1980b)
`Banking and financial organization, 1770-1914', in A.H. John and G. Williams (eds.), *Glamorgan County History, V: Industrial Glamorgan* (Cardiff: Glamorgan County History Trust), 363-420

Rowe, J (1993)
Cornwall in the Age of the Industrial Revolution (second edition; St.Austell: Cornish Hillside)

Rubinstein, W.D (1998)
`The Weber thesis, ethnic minorities, and British entrepreneurship', in D.J. Jeremy (ed.), *Religion, Business and Wealth in Modern Britain* (London: Routledge, 1998), 170-181

Royle, E (1997)
Modern Britain: a Social History, 1750-1997 (second edition, London: Arnold)

Ryton, J (1983)
Banks and Banknotes of Exeter, 1769-1906 (Exeter: John Ryton)

Sayers, A (2000)
`The Naval Bank', *Devon Historian,* 60, 26-27

Sayers, R.S (1957)
Lloyds Bank in the History of British Banking (Oxford: Clarendon)

Sayers, R.S (1964)
Modern Banking (sixth edition; Oxford: Clarendon)

Schreyögg, G., and Sydow, J (2011)
`Organizational path dependence: a process view', *Organization Studies,* 32, 321-335

Skidmore, P (2015)
`The river Camel: an important trading hub in the early nineteenth century', *Journal of the Royal Institution of Cornwall* for 2015 (unnumbered), 84-96

Smail, J (2005)
`Credit, risk and honor in eighteenth-century commerce', *Journal of British Studies,* 44, 439-456

Smith, A (1979) [1776]
An Inquiry into the Nature and Causes of the Wealth of Nations, books I-III (Harmondsworth: Penguin)

Smith, B.M.D (1967)
`The Galtons of Birmingham: Quaker gun merchants and bankers, 1702-1831', *Business History,* 9, 132-150

Smith, E.A (2006)
`Eliot, Edward Craggs, first Baron Eliot (1727-1804)', *Oxford Dictionary of National Biography* (Oxford: Oxford University Press); online edition, 2006, accessed 6 March 2009:
http://www.oxforddnb.com/view/article/8627

Sofer, M (1988)
`Core-periphery structure in Fiji', *Environment and Planning (D: Society and Space),* 6, 55-74

Spencer, H., and Fisher, D.R. (2009)
`Constituencies; East Looe – Borough', in D.R. Fisher (ed.), *The History of Parliament: the House of Commons, 1820-1832* (Woodbridge: Boydell and Brewer); online version, accessed 11 December 2013:
http://www.historyofparliamentonline.org/volume/1820-1832/constituencies/east-looe

Stacey, D (2011)
`*A Gentleman and a Miner,* by John Opie', *Journal of the Royal Institution of Cornwall* for 2011 (unnumbered), 7-14

Stanley Gibbons Ltd (1968)
Postage Stamp Catalogue, part I: British Commonwealth (London: Stanley Gibbons Ltd; published annually)

Stinchcombe, A.L (1969)
`Social structure and the invention of organizational forms', in T. Burns (ed.), *Industrial Man* (Harmondsworth: Penguin), 153-195

Stuart-Jones, F (1971)
`Instant banking in the 1830s: the founding of the Northern and Central Bank of England', *Bankers' Magazine,* 211, 130-135

Sykes, J (1925)
`The effect of English bank amalgamations on working expenses and profits', *Economic Journal,* 35, 583-589

Tangye, M (2002)
Tehidy and the Bassets: the rise and fall of a great Cornish family (Mount Hawke: Truran)

Taylor, J (2006)
Creating Capitalism: Joint-Stock Enterprise in British Politics and Culture, 1800-1870 (Woodbridge: Boydell and Brewer)

Taylor, J (2007)
`Company fraud in Victorian Britain: the Royal British Bank scandal of 1856', *English Historical Review,* 122, 700-724

Tebbutt, M (1984)
Making Ends Meet: Pawnbroking and Working-Class Credit (London: Methuen)

Thomas, D. St.J (1973)
A Regional History of the Railways of Great Britain, I: The West Country (fourth edition, Newton Abbot: David & Charles)

Thomas, S.E (1934a)
The Rise and Growth of Joint Stock Banking (London: Pitman)

Thomas, S.E (1934b)
`The first English provincial banks', *Economic History,* 3/9, 129-139

Thorne, R (1986a)
`Daniell, Ralph Allen (1762-1823), of Trelissick, near Truro, Cornwall', in R. Thorne (ed.), *The History of Parliament: the House of Commons, 1790-1820* (Woodbridge: Boydell and Brewer); online version, accessed 4 January 2013:
http://www.historyofparliamentonline.org/volume/1790-1820/member/daniel-ralph-allen

Thorne, R (1986b)
`Praed, William (1747-1833), of Tyringham, Bucks, and Trevethoe, near St. Ives, Cornwall', in R. Thorne (ed.), *The History of Parliament: the House of Commons, 1790-1820* (Woodbridge: Boydell and Brewer); online version, accessed 4 September 2012: http://www.historyofparliamentonline.org/volume/1790-1820/member/praed-william

Thorne, R (2006)
`Basset, Francis, Baron de Dunstanville and first Baron Basset (1757-1835)', *Oxford Dictionary of National Biography* (Oxford: Oxford University Press); online edition, 2006, accessed 6 March 2009: http://www.oxforddnb.com/view/article/1637

Thornton, H (1939) [1802]
An Enquiry into the Nature and Effects of the Paper Credit of Great Britain (ed. F.A. Hayek; reprinted London: Cass, 1972; originally London: Hatchard, 1802)

Tönnies, F (2001) [1887]
Community and Civil Society (ed. J. Harris; trans. J. Harris and M. Hollis, Cambridge: Cambridge University Press; originally published in Leipzig, 1887, as *Gemeinschaft und Gesellschaft*)

Tregidga, G (2009)
`Williams, John Charles (1861-1939)', *Oxford Dictionary of National Biography* (Oxford: Oxford University Press); online edition, 2009, accessed 7 May 2012: http://www.oxforddnb.com/view/article/98421

Trenick, M (1992)
`A new acquisition: a portrait of William Lemon', *Journal of the Royal Institution of Cornwall,* new series II, 1/2, 121-127

Vetch, R.H., rev. Lunt, J (2005)
'Vivian, Richard Hussey, first Baron Vivian (1775–1842)', *Oxford Dictionary of National Biography* (Oxford: Oxford University Press); online edition, 2005, accessed 7 May 2012:
http://www.oxforddnb.com/view/article/28341

Vickery, A (1993)
`Golden age or separate spheres? A review of the categories and chronology of English women's history', *Historical Journal,* 36, 383-414

Vickery, A (2006)
`His and hers: gender, consumption and household accounting in eighteenth-century England', in R. Harris and L. Roper (eds.), *The Art of Survival: Gender and History in Europe, 1450-2000* (*Past and Present* Supplement 1; Oxford: Oxford University Press), 12-38

Ward, A.M., and McKillop, D.G (2005)
`An investigation into the link between U.K. credit union characteristics, location and their success', *Annals of Public and Cooperative Economics,* 76, 461-489

Waters, C (1998)
`Ethnicity, religion and wealth: a commentary on the uses of Max Weber', in D.J. Jeremy (ed.), *Religion, Business and Wealth in Modern Britain* (London: Routledge, 1998), 182-186

Watson, J.S (1960)
The Reign of George III (Oxford: Clarendon)

Webb, J.N (2007)
Game Theory: Decisions, Interaction and Evolution (London: Springer)

Weber, M (1968) [1920]
Economy and Society: an Outline of Interpretative Sociology (ed. G. Roth and C, Wittich, various translators, Berkeley: University of California Press; originally published in 1920 as *Wirtschaft und Gesellschaft: Grundriss der verstehenden Soziologie*)

Weber, M (1992) [1930]
The Protestant Ethic and the Spirit of Capitalism (trans. T. Parsons, London: Routledge; originally published as *Protestantische Ethik und der Geist des Kapitalismus*)

Welch, M.R., Sikkink, D., and Loveland, M.T (2007)
`The radius of trust: religion, social embeddedness and trust in strangers', *Social Forces,* 86, 23-46

Williams, M (2002)
`The new Cornish social science', in P.J. Payton (ed.), *Cornish Studies: Ten* (Exeter: University of Exeter Press), 44-66

Williams, M (2005a)
`Situated objectivity', *Journal of the Theory of Social Behaviour,* 35, 99-120

Williams, M (2005b)
`Discourse and social science in Cornish Studies – a reply to Bernard Deacon', in P.J. Payton (ed.), *Cornish Studies: Thirteen* (Exeter: University of Exeter Press), 14-22

Williams, M.J (1986)
`Lubbock, John (1744-1816), of St. James' Place, Middlesex' in R. Thorne (ed.), *The History of Parliament: the House of Commons, 1790-1820* (Woodbridge: Boydell and Brewer); online version accessed 26 June 2014:
http://www.historyofparliamentonline.org/volume/1790-1820/member/lubbock-john

Wilson, J.F., and Popp, A (2003)
`Business networking in the Industrial Revolution: some comments', *Economic History Review,* 56, 355-361

Woodward, L (1962)
The Age of Reform, 1815-1870 (second edition, Oxford: Clarendon)

Yamey, B.S (1949)
`Scientific bookkeeping and the rise of capitalism', *Economic History Review,* 1, 99-113

Internet references

Family history websites

http://www.celtic-casimir.com/webtree/
http://www.clanbarker.com
http://genealogy.site50.net/
http://www.hstfam.familysearch.org
http://www.prancefamily.co.uk/pages/Plymouth
http://www.thepeerage.com
http://www.treesandstars.com

Other online sources

http://www.bodmin.gov.uk/
Bodmin Town Council website

http://heritagearchives.rbs.com
Royal Bank of Scotland Heritage Archives

http://www.gracesguide.co.uk/
Grace's Guide to British Industrial History

http://www.launcestonthen.co.uk
Launceston then! `A website on the people and the place past and present'

http://plymouthdata.info/Who%Was%Who
Brian Moseley (closed 16 June 2014): `Compiled in partnership with the Plymouth Library Service and the Plymouth and West Devon Record Office and with the valued assistance of the Devon Family History Society' (accessed 12 May 2015)

http://www.westbriton.co.uk/Fall-house-Carne/story-11426037-detail/story.html
Account of the liquidation of Batten, Carne and Carne's Bank (anonymous, 2008)

http://www.truro.gov.uk/ Truro City Council website